

THE AMERICAN COIN REDESIGN ACT

HEARING BEFORE THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

S. 1776

TO MODERNIZE UNITED STATES CIRCULATING COIN DESIGNS, OF WHICH ONE REVERSE WILL HAVE A THEME OF THE BICENTENNIAL OF THE CONSTITUTION

TO REQUIRE U.S. COINS TO BE REDESIGNED, THAT ONE BE REDESIGNED TO COMMEMORATE THE BICENTENNIAL OF THE U.S. CONSTITUTION, AND THAT PROFITS FROM THE SALE OF PROOFSETS OF U.S. COINS BE USED TO REDUCE THE NATIONAL DEBT

APRIL 22, 1988

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THE AMERICAN COIN REDESIGN ACT

FRIDAY, APRIL 22, 1988

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met at 10:00 a.m., in room SD-538 of the Dirksen Senate Office Building, Senator Alan Cranston (presiding).

Present: Senators Cranston, Garn, Armstrong, Chafee, and Bond.

OPENING STATEMENT OF SENATOR CRANSTON

Senator CRANSTON. The hearing will come to order.

The legislation before us today, which requires new designs for the five U.S. coins presently in general circulation, is long overdue, as I believe the testimony we will hear today will amply demonstrate.

I commend my colleague from Colorado, Senator Armstrong, for introducing the bill. I thank the distinguished Chairman of the Banking Committee, Senator Proxmire, for authorizing this hearing. And I want to extend special praise to the perseverance of Diane Wolfe, Commissioner of Fine Arts, through whose tireless advocacy S. 1776 now is cosponsored by a majority of U.S. Senators.

There are a number of benefits we can derive from the issuance of newly designed coins, not the least of which is that new coins will produce a profit for the U.S. Treasury. I suspect that glimmer of black ink in our deficit plagued world is, in itself, adequate reason for passage of this bill. But I would like to focus my remarks today on another argument for S. 1776 and to outline briefly two amendments I will offer to the bill during the Banking Committee mark up.

I believe we are failing to take full advantage of the educational value coins have for our citizenry. Coins are the most tangible symbols of our Nation in our daily lives—we touch them, examine them, carry them around in our pockets and purses during all our waking hours.

People—particularly young people—will look at new coins and learn what they stand for. New coins probably have more instantaneous and widespread access to American consciousness than any other form of communication—even more than a new TV series.

In an age when pollsters report an astonishing ignorance among our Nation's young people of the events and ideals of our historical evolution as a Nation, we are grossly negligent when we fail to take full advantage of our coins' potential to impress upon the minds of our people the principles and ideals which epitomize America.

Currently, S. 1776 is silent on the themes to be considered in redesigning our coins, except to specify that the first coin designed shall commemorate the bicentennial of the U.S. Constitution. While I agree with this specification, I'd like to go a good deal further by spelling out that for all the redesigns, the Secretary shall consider thematic representations of the following Constitutional concepts.

a. Freedom of speech and assembly. b. Freedom of the press. c. Right to due process of law. d. Right to a trial by jury. e. Right to equal protection under the law. f. Right to vote. g. Separation of powers including the independence of the judiciary.

I will offer such an amendment during committee markup.

My second amendment addresses the fact that each of our current general circulation coins bears the likeness of an American President.

It wasn't always this way. For the first 116 years American coins bore symbols of liberty almost exclusively. It wasn't until the minting of the first Lincoln penny in 1909 that a general circulation coin contained the likeness of a real Washington appeared on the quarter—1932—and Jefferson on the nickel—1938. But even then, the three Presidents, long since dead, had been adjudged in the passage of time as the three greatest in American history.

Following World War II a new trend in American coin design developed when three Presidents—Roosevelt, Eisenhower, and Kennedy—were each placed on general circulation coins each within about a year of his death.

I want to make it clear that I do not criticize any of the three decisions to honor these Presidents. Each man was an American hero. Each was enormously popular among our people.

Particularly in the case of John F. Kennedy, the tragedy of the assassination of this brilliant, young, charismatic American President was a wrenching blow to the American psyche.

Commemorating President Kennedy on the half dollar was and is fully reflective of the will of the American people.

I don't disagree with any of these decisions.

I am concerned, however, that in the aggregate this trend will become a precedent in the future for using our general circulation coins to commemorate the lives of recent American heroes, Presidents or others.

Such a precedent could easily lead to turning our coin design into a political battleground with partisans struggling for this symbolic vindication of their heroes' political philosophies.

Not only would such an outcome demean our coinage, it would waste the valuable education resource our coins represent, as I discussed earlier.

In the hopes of reversing this trend toward using general circulation coins solely to commemorate past Presidents—as they do now—I will offer an amendment to provide that only three of the redesigned coins shall contain the likenesses of the Presidents currently displayed. The other two new designs shall not contain the likeness of any real person living or dead.

This approach will give us the opportunity to use our coins more effectively to represent those principles and ideals which are the essence of our freedoms and our system of justice. And it will be a

constant reminder to the American people that the Constitution and our belief in freedom are as important symbols of America as is a President of the United States.

Senator Garn.

OPENING REMARKS OF SENATOR GARN

Senator GARN. Thank you, Senator Cranston.

As a cosponsor of Senator Armstrong's bill, I have no formal opening statement but just wish to thank Chairman Proxmire for scheduling the hearing and the witnesses who are with us today.

Thank you very much.

Senator CRANSTON. Thank you.

And now the author of the measure, Senator Armstrong.

OPENING STATEMENT OF SENATOR ARMSTRONG

Senator ARMSTRONG. In the spirit of celebration surrounding the 200th anniversary of our Constitution, I introduced at the urging of Commissioner Diane Wolf S. 1776.

As of this morning, I am told there are no less than 61 Senate cosponsors of this legislation. And it wouldn't surprise me if, before the morning is over, probably some more would get on board because, first, it is a very good idea.

I can say that because, although I am the chief sponsor of the bill, obviously, it is not an idea that occurred to me spontaneously. It was presented to me by Commissioner Wolf and some others.

This strong response on behalf of our colleagues tells me that this is a timely and worthwhile effort.

I am grateful to you and to Chairman Proxmire for holding these hearings.

And, in brief, Mr. Chairman, as you know, S. 1776 calls upon the Secretary of the Treasury after consultation with the Commission on Fine Arts to suggest ways in which many of our circulating coins where appropriate can be redesigned to capture the attention and imagination of all who use and see them.

This legislation requires that the reverse of one coin commemorate the Bicentennial of the Constitution.

Mr. Chairman, I have prepared and ask consent to insert in the record a detailed, written statement on this matter. But, in general, my desire is primarily to focus on the testimony of the witnesses here this morning.

And if I may, I will just put the balance of my statement in the record.

Senator CRANSTON. It will go in the record.

Thank you very much.

[The complete prepared statement, proposed bill S. 1776, summary, and section by section analysis, and cosponsors of S. 1776, by Senator Armstrong follow:]

OPENING STATEMENT
OF WILLIAM L. ARMSTRONG

In the spirit of celebration that surrounds the 200th anniversary of our Constitution, I introduced S-1776 in October of last year. I am pleased to report to my colleagues that as of today 61 Senators have co-sponsored this legislation, a fact that I had not anticipated at that time. This very strong response from our colleagues to modernize our circulating coins sends a very strong signal that such an effort should be undertaken by the Secretary of the Treasury at the earliest opportunity.

I appreciate the willingness of Chairman Proxmire to schedule this hearing so that the very apparent appeal of S-1776 can be explored further and I appreciate the interest of my colleagues, co-sponsors, and those who have consented to testify this morning.

S-1776 calls upon the Secretary of Treasury, upon consultation with The Commission of Fine Arts, to suggest ways in which many of our circulating coins, where appropriate, could be redesigned to capture the attention and imagination of all who see, use and collect them. This legislation features a requirement that the reverse of one coin commemorate the bicentennial of the Constitution for a period of two years.

Today some 127 billion American coins (pennies, nickles, dimes, quarters and half-dollars) circulate throughout the nation and world. These coins depict some of the greatest advocates and symbols of our American democracy -- Washington, Jefferson, Lincoln, the American eagle. At home, these coins are daily reminders of our great leaders and our ideals; abroad, they are ambassadors of our democratic society.

During our constitutional bicentennial, it is particularly fitting to take a second look at our coins. S-1776 directs that the reverse of one of circulating coins commemorate the bicentennial of the Constitution for a period of two years. The Constitutional Convention adopted the Constitution on September 17, 1787 with the expectation that a new government under the Constitution would be in place by March of 1789, yet the final state to ratify the Constitution, Rhode Island, did not do so until May of 1790.

In recent years, only a few American coins have been introduced or redesigned. The image of Lincoln on what is known as the obverse side of the copper penny we use now was designed in 1909; in 1959, the reverse side of the penny was changed from stalks of wheat to the Lincoln Memorial. The Jefferson nickel was designed in 1938. The Roosevelt dime was designed in 1946. The quarter we use today was designed in 1932, although there was a two year period in 1975-76 when the quarter was specially designed in honor of the 200th anniversary of the Declaration of Independence. The Kennedy half dollar was introduced in 1964.

Change shouldn't be made solely for the sake of change. But I think it is now timely to review our coin designs, and see how we might renew interest in our circulating coinage and I look forward to the comments being provided by the Director of the Mint, Donna Pope, and others who are here this morning.

Another area this hearing will pursue is the subject of income from the minting of circulating and other coins. Whenever new circulating coins are minted, the government makes a profit from the proof sets and other numismatic sales of the coins. Issuing new circulating coinage will more than pay for itself according to those at the Treasury Department I have consulted. "Seigniorage" is the numismatic term describing the difference between the face value of a coin and its cost including the manufacturing expense. Merely by introducing new circulating coins will generate seigniorage and this hearing will explore the dynamics of this process.

100TH CONGRESS
1ST SESSION

S. 1776

To modernize United States circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution.

IN THE SENATE OF THE UNITED STATES

OCTOBER 8 (legislative day, SEPTEMBER 25), 1987

Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. SIMPSON, Mr. WALLOP, Mr. PRESLEE, and Mr. BOND) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To modernize United States circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 SECTION 1. DENOMINATIONS, SPECIFICATIONS, AND DESIGN
4 OF COINS.

5 Subsection (d)(1) of section 5112 of title 31, United
6 States Code (relating to denominations, specifications, and
7 design of coins), is amended by striking out the fourth sen-
8 tence.

1 **SEC. 2. DESIGN CHANGES REQUIRED FOR CERTAIN COINS.**

2 Add a new subsection (d)(3) of section 5112 of title 31,
3 as follows:

4 “(3) The design on the reverse side of the half dollar,
5 quarter dollar, dime coin, 5-cent coin and one-cent coin shall
6 be selected for redesigning. One or more coins may be select-
7 ed for redesign at the same time, but the first one redesigned
8 shall have a design commemorating the 200th anniversary of
9 the United States Constitution for a period of two years after
10 issuance. After that 2-year period, the bicentennial coin shall
11 have its design changed in accordance with the provisions
12 within this Act. Such selection, and the minting and issuance
13 of the first selected coin shall be made not later than 1 year
14 after the date of the enactment of this Act.”.

15 **SEC. 3. DESIGN ON OBVERSE SIDE OF COINS.**

16 Add a new subsection (d)(4) of section 5112 of title 31,
17 as follows:

18 “(4) The design on the obverse side of the half dollar,
19 quarter dollar, dime coin, 5-cent coin, and one-cent coin shall
20 contain the likeness of those currently displayed and shall be
21 considered for redesign.”.

22 **SEC. 4. SELECTION OF DESIGNS.**

23 The design changes for each coin authorized by this Act
24 shall take place at the discretion of the Secretary and shall be
25 done at the rate of one or more coins per year, to be phased
26 in over six years after the date of the enactment of this Act.

1 The designs shall be selected by the Secretary upon consulta-
2 tion with the United States Commission of Fine Arts.

3 **SEC. 5. REDUCTION OF THE NATIONAL DEBT.**

4 Section 5132 (a)(1) of Title 31 is amended by adding the
5 following after the third sentence: "Any profits received from
6 the sale of uncirculated and proof sets of these coins shall be
7 deposited by the Secretary in the general fund of the Treas-
8 ury and shall be used for the sole purpose of reducing the
9 national debt."

○

S-1776

SUMMARY

1. Over a six year period after the date of enactment, the Secretary of Treasury shall mint and issue coins (penny, nickle, dime, quarter and half dollar) with new designs that he has approved;
2. Any new design on the fronts of the coins (known as the obverse side) shall contain the likenesses of those currently displayed;
3. The reverse shall have new designs;
4. The reverse side of one coin shall reflect the celebration of the bicentennial of the Constitution and shall be minted for only two years;
5. The inscriptions "Liberty," "United States of America," "In God We Trust," "E Pluribus Unum" and the value of the coin would remain as required by current law.
6. Any profits from the sale of uncirculated and proof sets of these coins shall be used to reduce the federal debt.

SECTION BY SECTION**Section 1**

Removes the requirement in law that "The design on the reverse side of the dollar, half dollar, and quarter dollar is an eagle."

Section 2

Adds a new section that requires:

- ...the reverse sides of the half dollar, quarter, dime, nickle and penny to be selected for redesigning.
- ...that the first coin selected for redesign shall commemorate the 200th anniversary of the US Constitution and shall be minted for two years.
- ...the minting and issuance of the first selected coin shall be made not later than 1 year after enactment.

Section 3

...that the obverse side of the half dollar (Kennedy), quarter (Washington), dime (Roosevelt), nickle (Jefferson) and penny (Lincoln), shall contain the likenesses of those currently displayed and can be considered for dedesign.

Section 4

Design changes at the discretion of the Secretary, at the rate of one or more coin per year, to be phased-in over 6 years.

Section 5

Any profits from the sale of uncirculated and proof sets shall be deposited by the Secretary in the general fund and used for reducing the national debt.

April 22, 1988

Cosponsors of S. 1776, the American Coin Redesign Act .

Christopher Bond
 Rudy Boschwitz
 Quentin N. Burdick
 Lawton Chiles
 William Cohen
 Alfonse M. D'Amato
 Tom Daschle
 Alan J. Dixon
 Robert Dole
 Dave Durenberger
 Wyche Fowler, Jr.
 John Glenn
 Charles E. Grassley
 Orrin G. Hatch
 Howell Heflin
 Daniel K. Inouye
 David Karnes
 Bob Kasten
 Frank R. Lautenberg
 Richard G. Lugar
 Daniel Moynihan
 Sam Nunn
 Larry Pressler
 Harry Reid
 William V. Roth, Jr.
 Richard Shelby
 Arlen Specter
 Ted Stevens
 Strom Thurmond
 Pete Wilson

David Boren
 John Breaux
 John H. Chafee
 Thad Cochran
 Kent Conrad
 John C. Danforth
 Dennis DeConcini
 Christopher J. Dodd
 Pete V. Domenici
 Daniel J. Evans
 Jake Garn
 Phil Gramm
 Tom Harkin
 Mark O. Hatfield
 Gordon J. Humphrey
 J. Bennett Johnston
 Nancy L. Kassebaum
 John F. Kerry
 Carl Levin
 John McCain
 Don Nickles
 Robert Packwood
 Dan Quayle
 Donald W. Riegle, Jr.
 Terry Sanford
 Alan K. Simpson
 John C. Stennis
 Steven D. Symms
 Malcolm Wallop
 Tim Wirth

Senator CRANSTON. Senator Chafee.

OPENING REMARKS OF SENATOR CHAFEE

Senator CHAFEE. Thank you, Mr. Chairman.

Mr. Chairman, I want to thank you for holding the hearings today to discuss the redesign of the Nation's circulating coins. I think they are a part of America's heritage. I have a statement here that I would propose for the record, but I believe that we should look afresh at the reverse images on the coins.

The Presidents will remain, as I assume will the phrase, "In God we trust".

So I commend you for this and I support this effort.

Thank you, Mr. Chairman.

Senator CRANSTON. Thank you very much.

Senator BOND.

OPENING STATEMENT OF SENATOR BOND

Senator BOND. Thank you, Mr. Chairman.

I, too, thank you for holding this hearing. We are very pleased today to be able to discuss S. 1776. I am happy to be one of the 61 cosponsors of the measure. It is certainly unusual to have so much testimony already submitted to us by the witnesses today, particularly before this Committee, in which all of the witnesses appear to support the legislation.

As I review the testimony, it seems that the only real differences were in degrees of support of the bill. I must admit that I am somewhat skeptical of arguments that changing the design on the coins will reduce the Federal deficit by a significant amount. I wish it were that easy.

I am satisfied, however, that there should not be any cost—there might even be a small profit in it.

A better argument, I believe, is for S. 1776, is current designs have been there longer than 25 years and it is time that we instituted a change.

It seems to me to be appropriate that our circulating coins be brought up to date with new designs that reflect our times.

I extend my congratulations and special thanks to Diane Wolf for all of the hard work that she has done on this issue. It is no small achievement to collect 61 Senate signatures on a bill.

I know that is due in no small amount to the leadership of Senator Armstrong. I look forward to the testimony.

Senator CRANSTON. Thank you.

Senator D'Amato, do you have an opening statement?

Senator D'AMATO. I ask that my statement be included in the record as read in its entirety.

OPENING REMARKS OF SENATOR D'AMATO

Senator D'AMATO. I, too, would join my colleagues, particularly in singling out a New Yorker now who had roots in Colorado but this is Diane Wolf, of her constant perspicacity as it relates to moving this legislation forward.

I don't know—I think it is a French word, "seigniorage"—whether or not it would raise the revenues they are claiming, but at least, my gosh, we can say it won't cost us money.

So, whatever the plus might be, that is certainly something that you should work at, an inducement. And I certainly look forward to listening to the testimony, Mr. Chairman.

And that concludes my 2 cents worth. [Laughter.]

[The complete prepared statement of Senator D'Amato follows:]

STATEMENT OF SENATOR ALFONSE D'AMATO
SENATE BANKING COMMITTEE HEARING
REGARDING S. 1776

MR. CHAIRMAN, I AM PLEASED TO BE HERE THIS MORNING FOR THIS HEARING ON THE APTLY-NUMBERED S. 1776, A BILL AUTHORIZING THE REDESIGN OF UNITED STATES COINS. I LOOK FORWARD WITH INTEREST TO THE TESTIMONY OF OUR PANEL OF WITNESSES EXPERT IN THIS SUBJECT.

CURRENT DESIGNS HAVE BEEN IN CIRCULATION ON OUR COINS FOR WELL OVER 25 YEARS; IN FACT, THE DESIGN ON THE REVERSE OF THE QUARTER HAS BEEN IN CIRCULATION SINCE 1932 - WHEN A QUARTER CERTAINLY WENT A LOT FARTHER THAN IT DOES NOW. I AM PLEASED TO BE A COSPONSOR OF S. 1776, AND HOPE THAT IT WILL PROVIDE AN OPPORTUNITY TO MINT A NEW COINAGE CONSISTENT WITH TRADITION BUT REFLECTING OUR OWN DESIGN ERA.

I THINK THIS BILL SHOULD DO THAT. THE DESIGNS ON THE FACES OF THE CURRENT COINS WILL BE UPDATED BUT NOT ABANDONED; THE LIKENESSES APPEARING ON THE COINS WILL BE RETAINED, BUT PRESENTED IN A MORE MODERNIZED PORTRAIT.

NOT WITHSTANDING THE SUBJECT, THE SCALE AND IMPLICATIONS OF THE REDESIGN OF FEDERAL COINS IS NO NICKEL AND DIME MATTER. I WOULD BE VERY INTERESTED IN HEARING FROM OUR



WITNESSES THIS MORNING, THEIR BEST ESTIMATES OF THE COST OF PRODUCING A NEWLY DESIGNED CURRENCY, AND HOW THAT WILL COMPARE WITH FACE VALUE ON A COIN BY COIN BASIS. I UNDERSTAND THAT THERE IS SOME CONTROVERSY REGARDING THE AMOUNT OF SEIGNIORAGE ("SEEN-YUR-IDJ") THAT CAN BE EXPECTED FROM A NEW RUN OF COINS. AVAILABLE INFORMATION SUGGESTS THAT SEIGNIORAGE IS A SOMEWHAT FLUCTUATING SOURCE OF REVENUE; FOR EXAMPLE, IT FLUCTUATED BY \$66 MILLION BETWEEN FISCAL YEARS 1986 AND 1987. I, FOR ONE, WOULD LIKE TO HAVE A BETTER UNDERSTANDING OF HOW SEIGNIORAGE WORKS; WHAT ARE THE FACTORS INVOLVED IN ITS APPARENT FLUCTUATION BY SUCH A LARGE PERCENTAGE; WHAT THE ESTIMATES ARE FOR PROBABLE SEIGNIORAGE ON NEW COINS AND ON WHAT THOSE ESTIMATES ARE BASED.

AS THE ORIGINAL SPONSOR IN THE SENATE OF THE OLYMPIC GOLD COIN BILL, I WOULD ALSO VERY MUCH LIKE TO HEAR OUR EXPERT'S FRANK VIEWS REGARDING AN APPROPRIATE STRUCTURE FOR THE DESIGN COMPETITION FOR NEW COINS. I WOULD ESPECIALLY BE INTERESTED IN THEIR COMMENTS ABOUT THE SCOPE AND OPENNESS OF SUCH A COMPETITION; HOW IT SHOULD BE JUDGED; AND BY WHOM ADMINISTERED.

I KNOW THAT MY COLLEAGUES AND I CAN CERTAINLY BENEFIT FROM OUR WITNESSES' TESTIMONY, AND I LOOK FORWARD TO IT WITH INTEREST.

MR. CHAIRMAN, THAT'S MY TWO CENTS WORTH. THANK YOU.

Senator CRANSTON. Senator Chaffee.

Senator CHAFFEE. I also want to salute Diane Wolf. She has been characterized for her perspicacity.

I would also like to praise her for her dogged determination. She has pursued this with good humor but persistence and attention to detail such as we rarely see around these chambers.

I therefore want to salute Diane Wolf as Commissioner of Fine Arts.

Senator CRANSTON. Before we begin, I have a statement from Senator Sanford to insert in the record.

OPENING STATEMENT OF SENATOR TERRY SANFORD

Senator SANFORD. Mr. Chairman, I thank you for calling today's hearing. As you well know, this Committee has in recent months been tackling some of the major issues facing our Nation's economy, ranging from corporate takeovers to banking restructuring to analysis and response to last October's stock market break. Certainly, the topic before us today on the redesign of our coins is less grave. Yet, I think it's important to remember that how we present ourselves in our coins reflects our values and priorities almost as much as any other aspect of our economic policy making.

By engraving all our coins with the word liberty, we assert its importance to our Nation's fabric. And with the words *E Pluribus Unum*—a people united—we reaffirm our Nation's unity amidst its diversity. Furthermore, the choice of Washington, Jefferson, and Lincoln for our coins symbolizes our recognition of the enduring achievements and of these Presidents and role they have played in shaping our democracy.

As a cosponsor of S. 1776, I join 60 fellow Senators in favoring a change in our coin design. The time may indeed have come to revamp our coins. The original penny of 1909 was redesigned over 25 years ago to replace its stalks of wheat with its current representation of the Lincoln Memorial. The Jefferson nickle was designed in 1938 and the Roosevelt dime was designed in 1946. The current version of the quarter was designed in 1932, undergoing a change only in 1975-76 in a special commemorative edition to mark the bicentennial of the signing of the Declaration of Independence.

I especially support the bill's provision calling for the commemoration of the bicentennial of the Constitution on the reverse of at least one coin for a period of 2 years. I can think of no finer symbol of our Nation's values than this document that has served us so well over its 200 years.

I commend this morning's speakers for their work on redesigning our coins and look forward to hearing their testimony.

Senator CRANSTON. Thank you very much. I think we all concur in praise of the fine work that Diane has done.

Let's receive our first witness, the Honorable Donna Pope, Director of the United States Mint.

We welcome you to the hearing.

STATEMENT OF DONNA POPE, DIRECTOR, U.S. MINT,
WASHINGTON, DC

Ms. POPE. Thank you.

Good morning. The Treasury welcomes the opportunity to present comments on Senate bill 1776. The movement to "modernize" United States coinage, which began over a year ago, has attracted great interest in the numismatic hobby.

Given the considerable number of sponsors of this legislation, there is obviously interest here in the Senate. As presently drafted, the Treasury finds generally nothing objectionable to this legislation. However, we do have some concerns which I will address this morning and would request the Senate to consider some minor changes to the legislation.

Since its establishment in 1792, the Mint has successfully fulfilled the Nation's demand for coinage. President Washington and his Secretary of the Treasury, Alexander Hamilton, both placed great importance on the establishment of the Mint and sound coinage.

As a new Nation just beginning to record its own history, it was decided that our new Nation's coinage would depict allegorical designs of Liberty. It was believed that to depict a President would have been in the tradition of monarchy, and not fitting for a young democracy.

This sentiment continued and for 115 years allegorical designs appeared on coins.

At the beginning of the 20th century, the rise of nationalism and the emergence of the United States as a great power began to have influence on coin design. Perhaps after recording a century of proud history, the country felt confident that it could depict that heritage on its coins.

In 1909, beginning with the 1 cent coin and eventually including all coins, the Nation stepped away from allegorical designs, replacing them with historical designs recognizing the contributions of great Presidents. The change in the coin designs was, in large part, a populist initiative of President Theodore Roosevelt.

The designs of our current coins, except for the 1976 Bicentennial issues, have remained unchanged since the introduction of the Kennedy Half-Dollar nearly 25 years ago. Over the course of this period, there has been a rapid growth in coin demand with production increasing from 2.8 billion to 14 billion coins a year.

And there is a projected need for 16.7 billion coins in 1989. I should say that, back in 1982, the Mint worked not only around the clock, as we do most days, but also 7 days a week to produce an unusually high demand that year of almost 19 billion coins.

Fortunately, that year, we did not have a large commemorative coin program going on at the same time.

As we approach the 21st century, there is again an initiative to change coin designs. The proponents, largely members of the numismatic community, cite the need to "modernize" coin designs, which they believe to have grown stagnant.

Some have suggested contemporary themes for circulating coins. In our rapidly changing world, where technological marvels quick-

ly become museum pieces, contemporary designs may not be desirable.

For example, if contemporary designs had been adopted 25 years ago, coins depicting a Mercury Space Capsule or a revolutionary device known as the transistor, would certainly be dated in this era of space shuttles and microchips.

Yet, the current Jefferson nickel design is as fitting today as it was when first introduced in 1938. The timeless property which marks existing coinage design should be carried forward on any new coin designs. Ample time will be needed to create coin designs that are distinguished by this important characteristic.

We believe it will be possible, over a 6-year span, to implement new coin designs as prescribed in the legislation. Prior to the first design change, at least 15 months of development time is needed. Three months are reserved for the selection of artwork—if an open competition is not contemplated—3 months to develop the design from artwork to coin die, 6 months of crucial testing—and I will underscore that later—and 3 months of production to mint an adequate inventory of the new coins.

Introduction of each new design should commence at the beginning of the calendar year—when designs are normally modified for the new date. A mid-year change is not recommended as it will increase numismatic speculation and place undue strain on our coin production capacity. The beginning of a new year also seems more fitting for the introduction of a new coin.

We would request that the legislation be amended to require the first coin to be issued at the beginning of the year 15 months after enactment. If the legislation were enacted by October of this year, the first coins could be available on January 2, 1990.

Coins for circulation are minted by machine crafted dies which are fitted in multi-die or high speed stamping presses. To make optimal use of equipment, dies must have a long life. For example, a 1-cent die will stamp 750,000–930,000 coins—the life of an obverse and reverse die is often different—before it is worn out.

Over 27,000, 1 cent dies alone will be used for circulating coins this year, each costing approximately \$35,000.

To operate efficiently and cost effectively, it will be necessary for a new coin design to achieve a long die life. Coin presses must be shut off to change a die; low die life will reduce coin production rates, in addition to the die cost.

The production of coin dies is a lengthy and expensive process. Once artwork is selected, clay and plaster models must be hand sculpted, the design must be reduced to a master hub, master dies are then prepared, and finally trial strike dies are produced.

Finding the right combination of relief, crown and sharpness of detail on this process must be repeated until successful.

After a successful trial strike, a larger number of dies are tested in a limited production run. If the die life is unacceptable, then the process may have to be repeated. Six months will be needed for this testing. And it is all crucial in order to do this successfully, if she were here, Elizabeth Jones, the Chief Sculptor Engraver, would tell you that, as an artist, she is in favor of changes in the coin designs. However, she would also tell you that there are a myriad

of considerations that must be taken into account, and enough time must be given to do the job right.

To minimize public confusion and prevent undue problems for merchants and bankers, the new coins would be distributed across the Nation for release on a predetermined day. Three months of full scale production will prepare an adequate inventory for general release. To ensure that the public is adequately informed about the new coins, we may be requesting funding for a public information campaign.

If this legislation is enacted, we would propose to introduce the commemorative design on the 25 cent coin the first year; change the design of the 50 cent coin the second year; replace the commemorative design on the 25 cent coin with a new design the third year; change the 5 cent coin the fourth year; the 10 cent coin the fifth year; and the 1 cent coin would change in the sixth year.

Each of the six design changes is expected to cost approximately \$125,000 for engraving and production testing. In addition, an estimated \$7.1 million would be required to produce the additional coins needed over the 6-year phase-in period. Therefore, the Mint will be adding that to their budget request.

There are separate effects from the legislation's requirement of a 2-year commemorative design and the long-term redesign of all coinage.

As stated earlier, the Mint would introduce the Constitution Bicentennial design on the 25 cent coin. The temporary change in the reverse design will add numismatic character to the 25 cent coin and the eventually lead to large withdrawal of the coin. Research done in 1987 revealed an abnormal removal of the 1976 Bicentennial coins. Only 38 percent of the coins expected were present, based on normal attrition rates, due to the public pulling the coins out of the circulation pool because of their numismatic character.

Based on this experience, we estimate that in addition to the approximately 1.4 billion 25 cent coins needed in each of the years 1990 and 1991, an estimated 12 percent withdrawal of the new coin in the first and second years will necessitate an increase in production of 170 million 25 cent coins in each of the 2 years.

Through 1995, 985 million 25 cent coins will be needed above normal demand due to the high attrition of this semi-numismatic coin.

LONG-TERM DESIGN CHANGES

The Mint anticipates a 6 percent withdrawal of the new design during the first year of a new circulating coin design change. After this initial withdrawal, there will not be significant demand for the redesigned coin, above normal requirements, until 8 years after the change. At this time, from the experience with the "wheat" cent, the old coins will be pulled out of circulation in increasing volume and will necessitate increased production of the new design.

This estimate is based on a Research Triangle Institute analysis of the 1959 conversion from the "wheat" cent to the "memorial" cent, which did not reveal any preferential withdrawal of the "wheat" cent until 8 years after the conversion.

At that time, withdrawal began to accelerate dramatically.

If this legislation is enacted, a total of 2.015 billion coins, above normal demand, over 6 year period will be required. Existing coin production capacity, and planned equipment purchases and modifications will allow the Mint to meet coin demand through 1995 provided all other factors remain stable. Eight years after the redesign of the coinage, significant increases in demand could be expected, especially between the years 1998 and 2011.

REVENUE ENHANCEMENTS

Proponents of new coin designs have cited certain revenue enhancements that will accrue as a result of design changes. These cited enhancements are derived from predicted increases in the sale of numismatic sets and from predicted increased seigniorage.

Seigniorage refers to the difference between the face value of a coin and its production costs. The latter is a result of additional demand for coins caused by the design changes.

Embellished revenue estimates as high as \$2.3 billion have been cited and some have looked to coin redesign as a panacea for budget deficits. Based on analyses of past demand patterns, we estimate \$224 million in additional seigniorage receipts will be generated in the first 6 years of the new designs and \$18 million in additional numismatic profits over the same period.

Seigniorage is often called the "profit" from coin production, and many have assumed that this profit is similar to the profit from the sale of numismatic products—when, in fact, it is quite different.

Seigniorage is not an on-budget receipt and does not directly offset expenditures. Seigniorage in itself does not reduce the budget deficit. As an off-budget miscellaneous receipt, it is subtracted from the amount of the annual deficit to determine how much money must be borrowed from the capital markets.

By decreasing the amounts which must be borrowed from the public, it reduces the interest which must be paid on these borrowings. The Treasury's Comptroller has estimated that for every \$100 million of seigniorage generated during 1987, \$5.9 million in interest costs were saved. Consequently, the \$224 million estimated increased in seigniorage over the first 6 years of the new designs would reduce budget outlays by about \$2.2 million per year.

The mission of the Mint, of course, is to provide coins for Commerce and seigniorage is a by-product of that fact, a nice by-product which we try to maximize. But, a by-product, nonetheless.

Therefore, aesthetics and public need and not seigniorage should be the factor on which a decision is based whether coin designs should be changed or not.

The profits from increased sales of numismatic sets will result in new revenues to the Treasury. Last year, the Mint returned a profit of \$25 million from the sale of proof and uncirculated coin sets. Increased sales of numismatic coin sets are estimated to be about 500,000 sets in each of the years for which changes are made. An additional \$3 million annual profit can be expected.

The legislation earmarks these funds for debt reduction. This specific provision is not necessary because these funds would be

available to reduce Treasury borrowing anyway and would thus reduce the deficit in any given year.

I might add that if the enhanced predictions with the embellished revenues were accurate, my testimony regarding Mint capability would be different.

This concludes my prepared remarks, but I, too, would like to join in the praise and take a moment to congratulate the Commissioner of Fine Arts, Diane Wolf, on the campaign she has waged to gather support for coin design changes.

Many people think that they cannot make a difference in Government and so they never make an attempt. Commissioner Wolf's success in aligning the coalition necessary to bring serious consideration to this matter is testimony I think that even in our very complex society, one person certainly can make a difference.

Thank you very much. I will be glad to answer any questions.

[The complete prepared statement of Donna Pope follows:]

DEPARTMENT OF THE TREASURY
UNITED STATES MINT
STATEMENT BY THE HONORABLE DONNA POPE
DIRECTOR OF THE MINT
BEFORE THE
SENATE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
APRIL 22, 1988

INTRODUCTION

Good morning. The Treasury welcomes the opportunity to present comments on Senate Bill 1776. The movement to "modernize" United States coinage, which began over a year ago, has attracted great interest in the numismatic hobby. Given the considerable number of sponsors of this legislation, there is obviously interest here in the Senate. As presently drafted, the Treasury finds generally nothing objectionable to this legislation. However, we do have some concerns which I will address this morning and would request the Senate to consider some minor changes to the legislation.

GENERAL COMMENTS

Since its establishment in 1792, the Mint has successfully fulfilled the nation's demand for coinage. President Washington and his Secretary of the Treasury, Alexander Hamilton, both placed great importance on the establishment of the Mint and sound coinage. As a new nation just beginning to record its own history, it was decided that our new nation's coinage would depict allegorical designs of Liberty. It was believed that to depict a President would have been in the tradition of monarchy, and not fitting for a young democracy. This sentiment continued and for 115 years allegorical designs appeared on coins. At the beginning of the twentieth century, the rise of nationalism and the emergence of the United States as a great power began to have influence on coin design. Perhaps after recording a century of proud history, the country felt confident that it could depict that heritage on its coins. In 1909, beginning with the one cent coin and eventually including all coins, the nation stepped away from allegorical designs, replacing them with historical designs recognizing the contributions of great Presidents. The change in coin designs was, in large part, a populist initiative of President Theodore Roosevelt.

The designs of our current coins, except for the 1976 Bicentennial issues, have remained unchanged since the introduction of the Kennedy Half-Dollar nearly twenty-five years ago. Over the course of this period, there has been a rapid growth in coin demand with production increasing from 2.8 billion to 14 billion coins a year.

As we approach the twenty-first century, there is again an initiative to change coin designs. The proponents, largely members of the numismatic community, cite the need to "modernize" coin designs, which they believe to have grown stagnant. Some have suggested contemporary themes for circulating coins. In our rapidly changing world, where technological marvels quickly become museum pieces, contemporary designs may not be desirable. For example, if contemporary designs had been adopted twenty-five years ago, coins depicting a Mercury Space Capsule or a revolutionary device known as the transistor, would certainly be dated in this era of space shuttles and microchips. Yet, the current Jefferson nickel design is as fitting today as it was when first introduced in 1938. The timeless property which marks existing coinage design should be carried forward on any new coin designs. Ample time will be needed to create coin designs that are distinguished by this important characteristic.

Consideration should be given to placing numeric designation on our coinage in lieu of alphabetic designations. For instance, the words "quarter dollar" on the quarter would be replaced with the number "25" and the number "10" would be more appropriate than the words "one dime". The United States is one of a handful of nations that does not denominate coinage with numeric designations.

IMPLEMENTATION

We believe it will be possible, over a six-year span, to implement new coin designs as prescribed in the legislation. Prior to the first design change, at least fifteen months of development time is needed. Three months are reserved for the selection of artwork -- if an open competition is not contemplated -- three months to develop the design from artwork to coin die, six months of crucial testing, and three months of production to mint an adequate inventory of the new coins.

Introduction of each new design should commence at the beginning of the calendar year -- when designs are normally modified for the new date. A mid-year change is not recommended as it will increase numismatic speculation and place undue strain on our coin production capacity. The beginning of a new year also seems more fitting for the introduction of a new coin.

We would request that the legislation be amended to require the first coin to be issued at the beginning of the year fifteen months after enactment. If the legislation were enacted by October of this year, the first coins could be available on January 2, 1990.

Coins for circulation are minted by machine crafted dies which are fitted in multi-die or high speed stamping presses. To make optimal use of equipment, dies must have a long life. For example, a one-cent die will stamp 750,000 - 930,000 coins -- the

life of an obverse and reverse die is often different -- before it is worn out. Over 27,000 one cent dies alone will be used for circulating coins this year, each costing approximately \$35.00. To operate efficiently and cost effectively, it will be necessary for a new coin design to achieve a long die life. Coin presses must be shut off to change a die; low die life will reduce coin production rates, in addition to the die cost. The production of coin dies is a lengthy and expensive process. Once artwork is selected, clay and plaster models must be hand sculpted, the design must be reduced to a master hub, master dies are then prepared, and finally trial strike dies are produced. Finding the right combination of relief, crown and sharpness of detail on the dies is not an exact science. If the trial strike fails, this process must be repeated until successful.

After a successful trial strike, a larger number of dies are tested in a limited production run. If the die life is unacceptable, then the process may have to be repeated. Six months will be needed for this testing.

To minimize public confusion and prevent undue problems for merchants and bankers, the new coins would be distributed across the nation for release on a predetermined day. Three months of full scale production will prepare an adequate inventory for general release. To ensure that the public is adequately informed about the new coins, funding may be requested for a public information campaign.

If this legislation is enacted, we would propose to introduce the commemorative design on the quarter the first year; change the design of the half-dollar the second year; replace the commemorative design on the quarter with a new design the third year; change the nickel the fourth year; the dime the fifth year; and the penny would change in the sixth year.

Each of the six design changes is expected to cost approximately \$125,000 for engraving and production testing. In addition, an estimated \$7.1 million would be required to produce the additional coins needed over the six-year phase-in period.

COIN DEMAND/PRODUCTION CAPACITY

There are separate effects from the legislation's requirement of a two-year commemorative design and the long-term redesign of all coinage.

Bicentennial Design

As stated earlier, the Mint would introduce the Constitution Bicentennial design on the quarter. The temporary change in the reverse design will add numismatic character to the quarter and eventually lead to large withdrawal of the coin. Research done in 1987 revealed an abnormal removal of the 1976 Bicentennial

coins. Only 38% of the coins expected were present, based on normal attrition rates, due to the public pulling the coins out of the circulation pool because of their numismatic character.

Based on this experience, we estimate that in addition to the approximately 1.4 billion quarters needed in each of the years 1990 and 1991, an estimated 12% withdrawal of the new coin in the first and second years will necessitate an increase in production of 170 million quarters in each of the two years. Through 1995, 985 million quarters will be needed above normal demand due to the high attrition of this semi-numismatic coin.

Long-term Design Changes

The Mint anticipates a 6% withdrawal of the new design during the first year of a new circulating coin design change. After this initial withdrawal, there will not be significant demand for the redesigned coin, above normal requirements, until eight years after the change. At this time, from the experience with the "wheat" cent, the old coins will be pulled out of circulation in increasing volume and will necessitate increased production of the new design.

This estimate is based on a Research Triangle Institute analysis of the 1959 conversion from the "wheat" cent to the "memorial" cent, which did not reveal any preferential withdrawal of the "wheat" cent until the eighth year after the conversion. At that time, withdrawal began to accelerate dramatically.

If this legislation is enacted, a total of 2.015 billion coins, above normal demand, over the six-year period will be required. Existing coin production capacity, and planned equipment purchases and modifications will allow the Mint to meet coin demand through 1995 provided all other factors remain stable. Eight years after the redesign of the coinage, significant increases in demand could be expected, especially between the years 1998 and 2011.

REVENUE ENHANCEMENTS

Proponents of new coin designs have cited certain revenue enhancements that will accrue as a result of design changes. These cited enhancements are derived from predicted increases in the sale of numismatic sets and from predicted increased seigniorage. Seigniorage refers to the difference between the face value of a coin and its production costs. The latter a result of additional demand for coins caused by the design changes. Embellished revenue estimates as high as \$2.3 billion have been cited and some have looked to coin redesign as a panacea for budget deficits. Based on analyses of past demand patterns, we estimate \$224 million in additional seigniorage receipts will be generated in the first six years of the new designs and \$18 million in additional numismatic profits over the same period.

Seigniorage is often called the "profit" from coin production, and many have assumed that this profit is similar to the profit from the sale of numismatic products -- when, in fact, it is quite different. Seigniorage is not an on-budget receipt and does not directly offset expenditures. Seigniorage in itself does not reduce the budget deficit. As an off-budget miscellaneous receipt, it is subtracted from the amount of the annual deficit to determine how much money must be borrowed from the capital markets. By decreasing the amounts which must be borrowed from the public, it reduces the interest which must be paid on these borrowings. The Treasury's Comptroller has estimated that for every \$100 million of seigniorage generated during 1987, \$5.9 million in interest costs were saved. Consequently, the \$224 million estimated increase in seigniorage over the first six years of the new designs would reduce budget outlays by about \$2.2 million per year.

The profits from increased sales of numismatic sets will result in new revenues to the Treasury. Last year, the Mint returned a profit of \$25 million from the sale of proof and uncirculated coin sets. Increased sales of numismatic coin sets are estimated to be about 500,000 sets in each of the years for which changes are made. An additional \$3 million annual profit can be expected. The legislation earmarks these funds for debt reduction. This specific provision is not necessary because these funds would be available to reduce Treasury borrowing anyway and would thus reduce the deficit in any given year.

CONCLUSION

This concludes my prepared remarks. I would like to take a moment and congratulate Commissioner of Fine Arts, Diane Wolf, on the campaign she has waged to galvanize support for coin design changes. Many people think they cannot make a difference in government and so never make an attempt. Commissioner Wolf's success in aligning the coalition necessary to bring serious consideration to this matter is a testimony that even in our complex society, one person can make a difference. Thank you, I will be glad to answer any questions from the Committee.

Senator CRANSTON. Thank you very much, Ms. Pope.

One question. In your testimony, you point out that in our rapidly-changing times, coin designs that may have been contemporary or revolutionary today may be obsolete in 25 years.

Do you believe 25 years is too long a time for designs to remain in our coinage?

And, if so, what would be a more realistic time frame?

Ms. POPE. I don't really know that you can attach a time frame which would be appropriate to change coin designs. I think it really is the mood of the country, the designs that are on the coin and what may be happening at any particular time.

Some of our coin designs have been on the coins with just slight moderations for as long as 79 years. Obviously, the public and the Congress at that time did not feel that there was a need to change coin design.

So I don't know whether I would want to be quoted as putting a time frame on when it is appropriate.

Senator CRANSTON. That should be left as a discretionary matter?

Ms. POPE. I think so.

Senator CRANSTON. Thank you very much.

Senator ARMSTRONG. Mr. Chairman, I want to congratulate the Director on a very interesting and thoughtful statement. I have only one question. I may have misunderstood the point the Director made about the date on which the coin is introduced.

If I followed your statement, it was that mid-year introduction would lead to excessive speculation by collectors, and I do not quite understand why that is.

Ms. POPE. If it was introduced mid-year, we would have the old design for the first part of the year of introduction, with that year's date on it; and then it would change in mid-year so that the mintage of that particular year's coin would be less.

And that causes numismatic speculation and a withdrawal of those coins. I did talk about the need for making many dies. Oftentimes, our pinchpoint at the Mint is the making of dies. And in this case, we would of course be making a great many dies if we were to change designs in the middle of the year.

Senator ARMSTRONG. Mr. Chairman, I have been on this committee a long time and I cannot say that it ever really crossed my mind before this morning of how many dies it takes to produce all of these coins.

It is an enormous number of dies just to make——

Ms. POPE. Just the pennies.

Senator ARMSTRONG. And you think about it all the time. But, the rest of us, it is kind of a surprise. I thank you.

And I appreciate very much hearing your testimony.

Ms. POPE. Thank you.

Senator CRANSTON. Thank you very much. I appreciate your presence and your helpfulness.

And, next, we have the first of two panels this morning. I would like to ask the first panel to come to the table.

Congressman Hayes, we would like to start with you. We would ask each witness—there are so many to testify this morning—we

would ask each of you to make your opening statement not more than 5 minutes.

If you have a longer prepared statement, the whole statement will, of course, go in the record.

If we stick to this, we will have time to ask questions.

STATEMENT OF JIMMY HAYES FROM THE U.S. HOUSE OF REPRESENTATIVES, 7TH DISTRICT, THE STATE OF LOUISIANA

Representative HAYES. I appreciate the opportunity and the invitation to appear here again. As I sat down and entered the room, I noticed Senator Cranston, it was Yogi Berra that said:

"It was *deja vu* all over again."

I was formerly the Commissioner of Financial Institutions for the State of Louisiana. I testified here a little over 2 years ago before coming to Congress on a bill that, at that time, had been introduced by Senators Johnson and Cochran. It was on that day that Senator Cranston looked over and said:

"That kid is running for something."

I want you to know I did. I won. And I'm back. [Laughter.]

Senator CRANSTON. Good.

Representative HAYES. It is of particular interest for me to be here because in the other life I also was a numismatist. And as I pointed out in the prepared statement, that is not merely the collecting of coins, it is a science. At its best, it is a reflection of the culture, the ability to look back at coinage which is so much a prevalent part of the commercial activities of a people.

In this country, we have an illustrative history of so many of our common political personalities that are displayed from the moment that we moved the old Mint to Cherry Street on April 5, 1792, and we began to produce the United States coins.

We had the beginnings in 1793 of a design that was originally conceived by Benjamin Franklin and it was used by him on a piece-metal sold as appropriate money during the Revolutionary War.

We have the direct fingerprints of Thomas Jefferson who had an active part as Secretary in the operation ongoing of the Mint; and earlier today Ms. Pope referred to the adamancy of Theodore Roosevelt who debated the then Director of the Mint, that she was kind enough to point out, over the same kind of production problems that she pointed to today.

They wanted him to do the redesigns and was told by the then Director of the Mint that the first production models would take 42 strikings, to which he responded to the Director of the Mint that that is probably true.

And he pointed out to him that the Sistene Chapel painting took more than a week or so and was not considered a minor restoration item.

The reflections of those, as well as the economic conditions in 1853 through 1873 referred to the Rand-Allyson Act, the new Silver Dollar in 1878—all of these items are revealed to any school child who cares to take the time and effort to go through the wonderful exhibit of the Smithsonian, which we would like to enhance for 1792 on the 200th anniversary of the opening of the Mint in 1992.

And we will be back to the Appropriations Committee here at the House and the Senate.

But, as all of you in one way or another have pointed out this morning, it is, in effect, history passing through the hands of a people. There is no more or better opportunity to give children or their parents, or their parents' parents an education about the fundamental strengths of their Nation and a history of their country.

And, certainly, it is appropriate as we are so close in the recent past of the 200th anniversary of the Constitution in the United States.

I favor that the chairman's suggestions for amendments and I wholeheartedly agree that some of what was so beautifully displayed in the artwork of Norman Rockwell would look awfully impressive on the coinage of the country.

Thank you for giving me the opportunity to appear again. And I assure you I will not burden you more than once every couple of years. [Laughter.]

[The complete prepared statement of Congressman Hayes follows:]

THE STATEMENT OF
CONGRESSMAN JAMES HAYES OF LOUISIANA
BEFORE THE SENATE COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
APRIL 22, 1988

The word numismatics is not defined as collecting coins. Numismatics is the science of studying cultures as reflected by the medium of exchange most used by its people. The distinction is the difference between a hoard of silver dollars, or a collection of quarters, and the knowledge of what is contained within each. An examination of the products of the U.S. Mint from April 6, 1792, to date, is a reflection of the moods and attitudes of the American people. The 1794 dollar, for example, at one look reflects the artistry of Robert Scot, the limitations of the machinery used by the newly established U.S. Mint which drew upon the resources of a one-cent press that prohibited the full strike of the stars to the left of Liberty, and the conscious legislative decision to accept Thomas Jefferson's suggestion to use a dollar system containing divisions of 100 parts (or cents) as opposed to the English monetary system. Even the silver content of the coin remains as incriminating evidence of substandard product furnished under a government contract, in an unfortunate practice that has occurred occasionally even after 1794.

There is a story for each design change, often including a political controversy or an economic condition, that is preserved in the artist's metallic interpretation of those events and which parallels the grandeur of any item hanging in the National Gallery.

Few numismatics know to relate the facts that I have stated about the 1794 dollar as to know enough about art to describe N.C. Wyeth's brush technique. But few schoolchildren fail to enjoy viewing either, having their curiosity then lead them toward gaining further knowledge of those stories behind the art.

To those who will discuss the economics of a new coin issue, I applaud their desire to introduce fiscal responsibility into the design change debate. However, I will limit my remarks to an area about which there is no speculation. A design change, as contemplated in S. 1776, will not result in a monetary loss to the Federal government and will allow an enormous cultural gain.

Not everyone will either love or hate the new designs. But most everyone will see them, touch them, and become aware of them, and will gain by their existence. More appropriately, not everyone loves or hates the Vietnam War Memorial, or the Washington Monument, or the Jefferson Memorial. But we all agree that each of these are part of our cultural heritage that dictates that our government has an obligation to support and perpetuate the records of the great events and people that shaped this nation.

I ask no more than government support to continue two hundred years of recorded cultural evolution. The future generations of American people deserve no less.

Senator CRANSTON. I have a statement from Congressman Charles B. Rangel that will be inserted in the record without objection.

TESTIMONY OF THE HONORABLE CHARLES B. RANGEL
FOR THE HEARING ON S. 1776
BEFORE THE SENATE COMMITTEE ON BANKING,
HOUSING AND URBAN AFFAIRS
APRIL 22, 1988, 10 A.M., 538 Dirksen OB.

Mr. Chairman, I would like to thank you for the opportunity to testify in support of S. 1776, a bill to modernize United States circulating coin designs, of which one reverse will have a theme of the Bi-centennial of the Constitution.

I take great pride in the fact that on September 21, 1987, I along with Congresswoman Boggs, Congressman Campbell and Congressman Petri, introduced H.R. 3314 in the House of Representatives. The bill before you today, S. 1776, is identical to our bill in the House.

Over the years, like many other Americans I have been interested in our circulating coins. In fact, I have saved a few of the different designs I have encountered in circulation over the years. In many respects that pattern is typical of many Americans. I have noticed our coins, but have thought relatively little about them until recently.

In the past year, I have become very interested in our coins for a number of reasons. Like many of you, I have been concerned about our national deficit and about the programs that are being cut or are inadequately financed in an attempt to reduce the flood of "red ink" which has plagued us in recent years.

Each day, like you, I am faced with a series of difficult and often frustrating decisions. We may be the richest country on

earth, yet our shelters and streets currently serve as home for many Americans. Those same streets are the marketplace for an assortment of drugs and drug dealers who seem intent on robbing our young and our country of its future unless drastic action is taken quickly. Such action costs money as do many other worthwhile programs.

Naturally, when a delegation approached me to discuss our coins and the potential revenues to be gained by changing designs, I was both interested and skeptical. Since that meeting, I have learned a good deal about coins and the revenues they can represent.

Before addressing the matter of revenues, let me explain briefly what this legislation will do. The bill you have before you would mandate new reverse designs for our circulating coins. In addition, there would be a special two-year Bicentennial of the Constitution reverse on the first coin to be changed. The legislation also suggests that the portraits on the obverses of the coins be modernized while retaining the same presidents.

Understanding that time is required for the production of new designs, the bill carries a six-year phase-in period which would begin a year after the legislation is enacted.

I feel strongly that the special Bicentennial of the Constitution commemorative reverse be included in the legislation. We had special reverses for the Bicentennial of the Revolution and that law was a success from every indication. The importance of the Constitution seems apparent. Yet I have the feeling that it is somehow being overlooked in terms of our coins. We have seen a commemorative program

for the Bicentennial of the Constitution. However, I think the case can be made that in this period of celebration, we should do more to make every American aware of this significant anniversary. Many Americans were not able to afford the Bicentennial of the Constitution commemorative coins. By placing the Bicentennial theme on one of our circulating coins, we will be placing this reminder in the hands of all Americans as well as those around the world. This is the best way I know to let everyone share, celebrate and remember this occasion. After all, coins are one of the few things that all Americans share in common.

What makes the proposal to change our circulating coin designs so interesting is the revenue potential of the measure. It is a rare proposal indeed which comes to us suggesting ways for the government to make money without increasing taxes. Yet this is such a proposal.

The largest source of revenue for the Mint is seigniorage on circulating coins. Seigniorage is the difference between the production cost of a coin and its face value. Consequently, the more coins we make, the greater the profits.

In the March 9, 1988, testimony of the Mint Director to the House Appropriations Subcommittee for Treasury, Postal Service and General Government, Mint Director Pope announced a seigniorage profit for fiscal year 1987 of \$458 million.

To increase seigniorage profits we need to increase demand for coins. One way to do it is with new designs as mandated in this legislation.

We have already seen indications of the interest of the American public in new coins. We saw that in the American Eagle bullion coin program. We see it regularly in commemorative coin programs. Moreover, in the past, we have seen it repeatedly when new coins were introduced.

Many of us can remember the public demand for the new Kennedy half dollars in 1964. So great was the demand that shortages were created. While the Kennedy half dollar may have been something of a special case, there is ample evidence that people save new coins.

While we cannot accurately predict just how many of the new coins will be saved, it does not take an expert to see the potential. The projections of Numismatic News, one of the leading publications in its field, were based on a production of 4 billion of the new coins. In this instance, Numismatic News used the quarter as the first denomination to have new designs. With a normal yearly production of between one and two billion quarters, the demand for a new quarter would only have to average about 10 coins per person for us to realize their projection of \$2.3 billion in additional revenue.

While I would be the first to admit that not every American will put aside 10 of the new quarters, I would have to observe that a substantial quantity are likely to be put away as keepsakes for children or grandchildren. Moreover, the new coins will initially be saved avidly by coin collectors and dealers. While the nation's coin collectors and coin dealers may be fairly small in number, they pack a very big economic punch.

Consider for a moment a few other additional figures from the Mint Director's recent testimony. She stated that the Bicentennial of the Constitution commemoratives had generated more than \$48 million in surcharges for deposit to the Treasury's general fund. She said the Mint is projecting an additional \$22 million in operating profits. Where did that money come from? The answer is that the vast majority of it came from the nation's coin collectors and coin dealers. The same can be said for the \$74 million in profits the Director reported from sales of proof bullion coins and the additional \$25 million in profits reported from the sale of uncirculated and proof sets.

Let me remind you, that those are simply the profits, not the total expenditures on the part of coin collectors and dealers. All of the experts from this hobby suggest that there would be substantial interest in new coin designs. Such interest would take the form of both saving the newly circulating coins while also ordering additional proof and uncirculated sets of the new coins. In both instances, the new designs will make money for the United States, money which was not the result of taxation.

In virtually every respect, this legislation represents the best of all worlds. Changing coin designs is not something new or revolutionary. In fact, in 1793, the founding fathers issued three different cents. The design which then remained the following year was changed again in 1796, thus beginning a long history of changing designs. Having different designs in circulation in 1793 and 1796 caused no problems. Neither has it done so in more recent history.

Many of us remember when the dime was changed in 1946 and when the reverse of the penny was changed in 1959. In 1964 when the Kennedy half dollar was introduced, two other half dollars designs were in general circulation; the Franklin and the Walking Liberty. As recently as 1975-1976 we saw new Bicentennial reverses on the quarter, half dollar and dollar coins. We we have nothing to fear in 1989.

Additionally, by changing the designs American artists will be given a chance to design coins which hopefully will represent the best we can produce as we embark on our third century as a nation.

The changes are strongly supported by those involved in coins and coin collecting, the very people who made a good portion of Mint's fiscal year 1987 profits possible. While they may not be a majority of the American people, they are the people who care about this issue and they are asking us to give them the opportunity to spend even more money on the coins from which we profit.

When you consider the potential revenue from this proposal you must be impressed by the idea. Technically it can be done. It would be welcomed as one of the government's few sources of revenue outside of taxation. We can benefit through reduction of the national debt or by producing more revenue to combat the ills which plague us today. I cannot imagine a better outcome or a better way to embark on our third century as a nation.

The constitution was a revolutionary idea in 1787, but the liberties and freedoms we enjoy rest on its inspired framework. New coin designs and the profits they will bring will better reflect the

same American creativity and ingenuity that made and hopefully will keep this country great.

In closing I urge you to support the passage of S.1776 in as speedy a process as possible.

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Senator CRANSTON. We welcome you back once again, and I am delighted that you find my amendment attractive.

And, now, Diane Wolf, Commissioner of Fine Arts. Seldom has a witness been greeted with so much praise as you have this morning.

DIANE WOLF, COMMISSIONER OF THE COMMISSION OF FINE ARTS, WASHINGTON, DC

Ms. WOLF. Thank you very much. I am Diane Wolf and I am a member of the United States Commission of Fine Arts. I appreciate all of your comments. I would like to say, first of all, that I did not do this all alone. Many people of the United States have written me letters. The support I have received from all around the country, from the press, and from Senators, Representatives, and their staffs have made this idea possible.

It is my distinct pleasure and honor to address you today on a matter which I feel can be of great benefit to the United States, both aesthetically and financially.

On April 16, 1987, the Commission of Fine Arts passed my following resolution unanimously:

In view of the historic frequency with which United States coins have been changed, the Commission of Fine Arts recommends to the United States Congress and the Secretary of the Treasury that they consider in a timely way changing the obverse and reverse designs of the cent, nickel, dime, quarter and half dollar by invited compensated competition.

The Commission's involvement in such competitions stretches back to 1916 when the Mercury dime, Liberty Standing quarter and the Walking Liberty half-dollar were selected as the Nation's new coin designs. Since that time, the Commission has played an important role in new coin designs.

It might interest you to know that two of the Nation's most distinguished coin designs, the Walking Liberty half-dollar and the Buffalo nickel were created by one-time Commission members, Adolf Weinman and James E. Fraser. Augustus St. Gaudens, the designer of the St. Gaudens double-eagle and eagle gold coin, was a member of the McMillan Commission, which evolved into the Commission of Fine Arts.

I introduced my resolution not because I had any hope for personal monetary gain, for I do not collect coins, nor do I make any portion of my living from the buying and selling of coins.

Any expenses I have incurred on behalf of this project have been paid out of my own pocket. I have no intention of any monetary gain in the past, present, or future from this endeavor.

As I have come to learn, the coins which we carry in our pockets, and the designs on them represent many things to many different people. To most Americans they are a vital part of their financial activity every day.

To the Mint, they are a source of great revenue due to seigniorage, which is the difference between the face value of a coin and its cost of production. U.S. circulating coin production results in a profit each year in the hundreds of millions of dollars. In fact, the Mint's single largest source of revenue is from seigniorage.

To the rest of the world, our coins and their designs are quite literally our Nation's calling cards. They travel the globe. Countless millions who have no contact whatsoever with the United States and our people know our coins. Not only do our coins tell people in faraway lands something about us and our heroes, ideals, dreams, and celebrations, they also speak to the ages.

We can hold in our hands a coin struck thousands of years ago. Long after the person who created the coin and the ones who used it are gone, the coin remains. Long after these past civilization's writings, buildings and virtually every other evidence of their world has vanished, the coins of ancient Greece, Rome, Egypt and other lands remain to educate and remind future generations about their existence.

Coins exist in enormous quantities. People in the year 2988, 3988, or 4988, we may not remember all we do or say here today, but chances are excellent that they will know the coins we carried in our pockets and learn from them what was of greatest importance to us as a civilization—what we admired most and held in greatest esteem.

Those are some of the reasons I have become concerned about coins. Our coins need to represent the best in America. They should represent our best technology, our best ideas. Our coins should celebrate the reasons our country is so special: liberty, justice, freedom and democracy. These ideals should be depicted through renderings by our best artists.

As the Commission thought about the importance of our coins both in terms of our history and in what they say about us today, it became aware that the stagnation which has plagued American coin design in recent times has made little sense and is a poor reflection of our great land and wonderful people of today.

I come to speak on behalf of Senate Bill 1776, for it seeks the changes the Commission feels are so badly needed in our circulating coin designs.

The United States has seen major coin changes 33 times in the past. As recently as 1975-1976 the reverses of the quarter, half dollar and dollar coins were changed to celebrate the Bicentennial of American Revolution. In 1964, we had a complete change in the half dollar coin. In 1959, the reverse of the one cent coin was changed.

Prior to that, change in our coin designs were closer to the rule than the exception.

Today, the Commission would like to pay tribute to Senator Armstrong and the other 60 plus Senators who have joined in sponsoring this measure in the Senate. The Commission would also like to pay tribute to Representative Rangel and the other 90 plus members of Congress who have taken similar action in the House of Representatives.

As you deliberate this issue today, you will hear from other witnesses who can better address in some detail some of the specific considerations and concerns about this Bill. I would, however, like to briefly address both the potential concerns and the positive contributions of this legislation.

One factor which has been raised in support of not changing designs is that it prevents confusion. Such concerns seem to me to be without foundation, if not downright laughable.

There was no confusion in 1976 when the reverses of three coins were changed to celebrate the Bicentennial of the American Revolution or in 1964 when the Kennedy half dollar coin was introduced.

In fact, in 1964 we had three different half dollars circulating at the same time. They were the Kennedy, Franklin and Walking Liberty half dollars. In 1959, when the cent reverse was changed to reflect the Lincoln Memorial, there was no confusion. Historically, there has been virtually no evidence of confusion when a coin design has been changed.

This bill calls only for design changes. It does not call for changing size, shape, color, or denomination of the coins.

Surely, if every generation from our founding fathers to those who mourned the loss of John F. Kennedy to those who celebrated the Bicentennial of the American Revolution in 1975-1976 can experience a coin design change without confusion, then we can also manage such a change in 1989.

Coin shortages are not a problem when changing coin designs. Surplus is in the billions. On July 15, 1987, in response to questions posed by the House Subcommittee on Consumer Affairs and Coinage, Mint Director Donna Pope announced that Denver Mint coin production was at the rate of 63 billion coins per year.

The reason for this production of 13 billion coins per year less than capacity was, "Because we are intentionally drawing down inventories."

At the same time, according to the Director's responses, the ongoing installation of the new Schuller coin presses at Denver will increase production capacity to approximately 9 billion coins per year.

Under the circumstances, I would have to observe that if the United States was ever in a position to meet a greater than usual coin demand, that time is now.

Potential revenue derived from new coin designs must be considered one of the most compelling reasons for circulating design changes. The potential revenue will be raised through seigniorage and numismatic sales.

One thing I realized across the country was that there are so few children interested in coin design changes. And unless we get our children interested in our coin design changes and in coin designs, we will not have the wonderful success we have had with commemorative sales in the future; because habits learned young are habits we keep for a lifetime.

The Commission of Fine Arts has unanimously supported coin design changes. The Bicentennial of the United States Constitution Commission has also unanimously endorsed this concept.

And I would like to say that I think that probably also Thomas Jefferson, who is on our nickel, also supports this idea.

Last night, when I was touring Washington with some visitors, I took them to the Jefferson Memorial. I had never read the plaques on the walls before.

And as I entered, I noticed a particular plaque, it was Thomas Jefferson's words to a friend. I would like to read them today:

I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened and more discoveries are made, new truths discovered and manners and opinions change with the change of circumstances, institution must advance also to keep pace with the times.

We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regiment of their barbarous ancestors.

I don't think that we have barbarious ancestors, but I do agree with Mr. Jefferson that it is time for a change.

I want to thank you all again for your consideration.

[The complete prepared statement of Diane Wolf follows:]

Testimony

Mr. Chairman, distinguished committee members, guests.
My name is Diane Wolf. I am a member of the United States
Commission of Fine Arts.

It is my distinct pleasure and honor to address you today on
a matter which I feel can be of great benefit to the United
States, both aesthetically and financially.

On April 16, 1987, the Commission of Fine Arts passed my
following resolution unanimously: "In view of the historic
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States Congress and the Secretary of the Treasury that they
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The Commission's involvement in such competitions stretches back to 1916 when the Mercury dime, Liberty Standing quarter and the Walking Liberty half-dollar were selected as the nation's new coin designs. Since that time, the Commission has played an important role in new coin designs.

It might interest you to know that two of the nation's most distinguished coin designs, the Walking Liberty half-dollar and the Buffalo nickel were created by one-time Commission members, Adolf Weinman and James E. Fraser. Augustus St. Gaudens, the designer of the St. Gaudens double-eagle and eagle gold coin, was a member of the McMillan Commission, which evolved into the Commission of Fine Arts.

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Any expenses I have incurred on behalf of this project have been paid out of my own pocket. I have no intention of any monetary gain in the past, present, or future from this endeavor.

As I have come to learn, the coins which we carry in our pockets, and the designs on them represent many things to many different people. To most Americans they are a vital part of their financial activity every day.

To the Mint, they are a source of great revenue due to seigniorage, which is the difference between the face value of a coin and its cost of production. U.S. circulating coin production results in a profit each year in the hundreds of millions of dollars. In fact, the Mint's single largest source of revenue is from seigniorage.

To the rest of the world, our coins and their designs are quite literally our nation's calling cards. They travel the globe. Countless millions who have no contact whatsoever with the United States and our people know our coins. Not only do our coins tell people in faraway lands something

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about us and our heroes, ideals, dreams, and celebrations, they also speak to the ages.

We can hold in our hands a coin struck thousands of years ago. Long after the person who created the coin and the ones who used it are gone, the coin remains. Long after these past civilization's writings, buildings and virtually every other evidence of their world has vanished, the coins of ancient Greece, Rome, Egypt and other lands remain to educate and remind future generations about their existence. Coins exist in enormous quantities. People in the year 2988, 3988, or 4988 well may not remember all we do or say here today, but chances are excellent that they will know the coins we carried in our pockets and learn from them what was of greatest importance to us as a civilization- what we admired most and held in greatest esteem.

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Those are some of the reasons I have become concerned about coins. Our coins need to represent the best in America. They should represent our best technology, our best ideas. Our coins should celebrate the reason our country is so special: liberty, justice, freedom and democracy. These ideals should be depicted through renderings by our best artists.

As the Commission thought about the importance of our coins both in terms of our history and in what they say about us today, it became aware that the stagnation which has plagued American coin design in recent times has made little sense and is a poor reflection of our great land and wonderful people of today.

I come to speak on behalf of Senate Bill 1776, for it seeks the changes the Commission feels are so badly needed in our circulating coin designs.

- 6 -

The United States has seen major coin changes 33 times in the past. As recently as 1975-6 the reverses of the quarter, half dollar and dollar coins were changed to celebrate the Bicentennial of American Revolution. In 1964 we had a complete change in the half dollar coin. In 1959, the reverse of the one cent coin was changed. Prior to that, change in our coin designs were closer to the rule than the exception. (See Table A for dates of major coin design changes.)

Today the Commission would like to pay tribute to Senator Armstrong and the other 60 plus Senators who have joined in sponsoring this measure in the Senate. The Commission would also like to pay tribute to Representative Rangel and the other 90 plus members of Congress who have taken similar action in the House of Representatives.

As you deliberate this issue today, you will hear from other witnesses who can better address in some detail some of the specific considerations and concerns about this Bill. I would, however, like to briefly address both the potential concerns and the positive contributions of this legislation.

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Under law, the Secretary of Treasury may change circulating coin designs every 25 years. Congress may do so whenever it wishes. However, the portrait of Abraham Lincoln currently found on the obverse one cent coin is 79 years old. The quarter design is 56 years old. The Buffalo nickel was changed fifty years ago. The Mercury dime was last minted 42 years ago. This is the 25th year President Kennedy has appeared on the half dollar.

The question the Commission asked itself was if there was any particular advantage in keeping the current designs. We think not. Great Britain changes its obverse designs with the passing of each monarch. If the monarchs enjoy a long life, as they have done in recent years and as did Queen Victoria, the British Empire changes the portrait to reflect the natural aging process. Such regular changes seem to have had no adverse impact on that great nation or on others such as Canada and Australia, who follow Great Britain's lead.

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One factor which has been raised in support of not changing designs is that it prevents confusion. Such concerns seem to me to be without foundation, if not downright laughable. There was no confusion in 1976 when the reverses of three coins were changed to celebrate the Bicentennial of the American Revolution or in 1964 when the Kennedy half dollar coin was introduced. In fact, in 1964 we had three different half dollars circulating at the same time. They were the Kennedy, Franklin and Walking Liberty half dollars. In 1959, when the cent reverse was changed to reflect the Lincoln Memorial, there was no confusion. Historically, there has been virtually no evidence of confusion when a coin design has been changed.

This bill calls only for design changes. It does not call for changing size, shape, color, or denomination of the coins. Surely, if every generation from our founding fathers to those who mourned the loss of John F. Kennedy to those who celebrated the Bicentennial of the American Revolution in 1975-6 can experience a coin design change without confusion, then we can also manage such a change in 1989.

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Coin shortages are not a problem when changing coin designs. Surplus is in the billions. On July 15, 1987, in response to questions posed by the House Subcommittee on Consumer Affairs and Coinage, Mint Director Donna Pope announced that Denver Mint coin production was at the rate of 63 billion coins per year. The reason for this production of 13 billion coins per year less than capacity was, "Because we are intentionally drawing down inventories." At the same time, according to the Director's responses, the ongoing installation of the new Schuler coin presses at Denver will increase production capacity to approximately 9 billion coins per year.

Under the circumstances, I would have to observe that if the United States was ever in a position to meet a greater than usual coin demand, that time is now.

Potential revenue derived from new coin designs must be considered one of the most compelling reasons for circulating design changes. The potential revenue will be raised through seigniorage and numismatic sales.

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David C. Harper, editor of Numismatic News, who is a panelist today, can best answer the question of how much can be raised. I feel confident in stating that design changes will result in increased revenue. We can be certain that changing designs will create revenue both from people wanting to save the new coins and from collectors wanting to buy special Proof and Mint sets of the new designs.

If we are to fully and honestly examine the matter of the economic advantages to be realized because of a coin design changes, there are some additional considerations which were not included in the Numismatic News figure or to the best of my knowledge in the considerations of anyone else.

While we base all of our potential income on increased demand for new coins, there is a consideration which is probably even more of a historical certainty. For the first few years after design changes, the public will tend to save the new designs. With time, however, they will begin to save the old coins. Ultimately, millions of the old coins will find their way not back to the Federal Reserve System, but rather to jars, drawers and small accumulations all over this land.

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Another of what I would call the "hidden economic benefits" from coin design changes has to do with the potential impact in terms of encouraging the collecting of coins. While neither anyone else nor I would suggest to you that the government of the United States should be in the business of worrying about, or helping to promote a hobby; like stamp collecting, the collecting of coins is in the national interest. This is for the very simple reason that the government of the United States is the nation's largest stamp dealer and yes, it is also the nation's largest coin dealer.

Lest anyone doubt my contention, I submit to you some numbers contained in Mint Director Donna Pope's same introductory statement before the House Subcommittee on Consumer Affairs and Coinage. In the very first paragraph of Mrs. Pope's remarks she stated, "Revenues from coin programs exceeded \$15 billion, prompting some industry commentators to claim the Mint was part of the Fortune 500."

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Contained elsewhere in her comments, Mrs. Pope pointed to the Statue of Liberty Coin Program, a commemorative one-year program, which saw collectors purchase the entire allocation of \$5 gold coins in less than two months. The bottom line for the Statue of Liberty-Ellis Island Foundation was \$83 million while our "Fortune 500" Mint realized "an operating profit of approximately \$30 million."

Mrs. Pope went on to report the issuance of a 1986 catalog of Mint products and estimated the profit from that mailing at \$4.1 million. At roughly the same time the Mint offered people on its mailing list the opportunity to purchase proof one ounce gold and silver American Eagle bullion coins. Given approximately one month to place their orders, the nation's collectors responded. Mrs. Pope put it simply, "Coin collectors purchased over 446,000 proof gold and 14 million proof silver coins." The total dollars in purchases by collectors in that instance alone was roughly one-quarter billion dollars. The United States government is the nation's leading coin dealer and as such, it had better be concerned about its customers.

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Already we see signs of trouble in paradise. Orders for 1988 proof bullion coins were down. Authorizations for Congressional commemoratives were reviewed by this committee and serious thought was given to the idea of cutting those authorizations because the nation's collectors would not buy that many coins.

My observation to you, is that we are just starting to see the problem. In the past year, I have visited many of the nation's top coin shows. There I have talked with hobby leaders, dealers and collectors. I must report to you today that they are concerned, very concerned. Just as our coin designs are stagnant, so too apparently are the numbers of coin collectors. Virtually every leading figure in coin collecting in this country has told me we need new designs to attract the interest of new collectors and especially the young. Without such action, the number of coin collectors in this country might very well shrink. If the number of young collectors I've seen at coin shows is any indication, we won't have to bother with new commemoratives and proof bullion coins at all in a few years, because there won't be enough

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collectors of such items around to make it worth our while. Habits learned young are habits one has for a lifetime.

If, however, the circulating designs are changed, virtually every hobby leader, rare coin dealer and collector has told me that the result would be increased numbers of collectors for everything from old rare coins to our proof sets, bullion coins and commemoratives.

If any other company in the Fortune 500 was offered the opportunity to make money simply by changing the design of a product, while also improving potential sales of other products, it would do so in a minute! Almost anyone can see why it is in the government's best interest to do what it can do to encourage coin collecting and especially the collecting of new U.S. coins. Simply put, the government stands to profit the most if such collecting expands.

A final observation on the matter of the financial rewards of changing coin designs is something which will bring the economic impact right into the backyards of some members of the committee.

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The government, as the nation's largest coin dealer, stands to benefit the most from a strong base of coin collectors. Of that there can be no doubt. There are, however, others who would benefit. As I have travelled around the country to coin shows, I have been struck by the fact that this hobby and the businesses which serve it including the U.S. Mint, have a very real economic impact on widely scattered areas.

Looking in the coin publications, you might be surprised at the literally hundreds of coin shows across the land each week. In many areas of the country, coin collectors, dealers and others in numismatics have a very real economic impact. There is no doubt, a healthy rare coin industry means jobs and dollars for other businesses.

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The distinguished Chairman of this Committee is from Wisconsin. There are probably few states which benefit more from the business of coin collecting. In Iowa, Wisconsin there are few, if any, larger employers than Krause Publications, which produces a wide variety of coin publications. Other publishers can be found in Ventura, California and Sidney, Ohio.

Coins need plastic holders and coin collectors need catalogs. The most successful producer of both can be found in Racine, Wisconsin. Other firms in other states have supplied the boxes and holders for American Eagle and commemorative coins.

There are thousands of coin conventions all over the country each year. For example, in Long Beach, California, there are three per year, filling the Hyatt Regency Hotel there while providing the local convention center, security forces, restaurants, shops and an assortment of others with plenty of financial gain. During the past year, major conventions have taken place in such locations as New York City, Atlanta, Georgia, St. Louis, Missouri, and Chicago, Illinois.

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Lest anyone think that encouraging the collecting of a government produced product is new and revolutionary, think again. The Post Office has been doing it for years, constantly changing stamps designs. They advertise, thus encouraging stamp collecting and enlarging the potential market for their products. Last year alone, the Post Office realized profits of \$173 million from the sale of commemorative stamps. Until recently, no such efforts had been made by the Mint. Thus it is no surprise that the nation's largest hobby is generally regarded to be stamps.

Summarized briefly, on the financial end, changing circulating coin designs is destined to make money for the United States. There is no better time to do it. In the process, we will help to expand the potential sales of additional Mint products ranging from proof sets to bullion coins to commemoratives, all of which will result in additional revenue. In the process, the public will retire the coins circulating today. I can hardly imagine a better outcome for everyone, and one achieved without raising taxes.

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When I consider the worthwhile things we could be doing with the revenue generated, be it applied to the national debt or used to save programs threatened by budgetary constraints, I doubt seriously that there are many who would want to stand in the way of such an idea. This is one reason why S1776 arrives before you today with 60 co-sponsors.

Today, that numismatic community speaks to us in a virtually unanimous voice. The congressionally chartered American Numismatic Association will testify today. The major numismatic publications have endorsed the concept of changing the designs on our circulating coins. If there were time, we could have had one noted numismatist after another here today. I can assure you that they would support this legislation. If anything, many would tell us to go further than simple modernization of the obverses.

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This time, however, support for circulating coin design changes has gone beyond the boundaries of numismatics. I am here today because the United States Commission of Fine Arts has been on record for over a year. We too want change, and we are unanimous. The Commission on the Bicentennial of the Constitution of the United States has been on record for months. They too are unanimous, supporting the idea of the Bicentennial of the Constitution theme on a circulating coin.

As for the public, consider the reception accorded the American Eagle bullion coins. Consider the popularity of our commemoratives. When exposed to new coins, the public seems to respond very favorably. The more the public understands the finances involved, the more it finds new coin designs an awfully good idea, especially if the alternative is raising taxes.

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During the past 16 months as I've traveled the country talking to people about coins, I've had many memorable experiences. What I most enjoyed is hearing from the people. I've had teachers tell me that coins were an excellent educational tool and new designs would be a wonderful new teaching tool. Being a former elementary school teacher myself, I agree. I've had parents say they hope this idea succeeds because it might get their children collecting coins, which would teach them about savings, and about history. Most of all, it might give them a constructive way to spend their time, away from the streets and the potential problems found there.

After explaining the matter, I've had reporters tell me they had never thought about coins and their designs before and then ask why this hadn't been done sooner. I've had taxicab drivers tell me to keep up the good work. Artists have thanked me for taking an interest in giving the artists of today a chance, something which is being denied by our current design stagnation. More touching to me, however, have been the thousands of letters to me from the public. Put in their own words, the public would like coins in which

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they can take pride. Many times, when meeting people, they will pull out an old Buffalo nickel or Indian head cent, and tell me that they are coins which made them proud to be Americans, while the current designs are ordinary or boring.

When you think about it, our coins are one of the few things all Americans have in common. We have much to be proud of in the United States. In virtually every American, pride burns. We want the words "United States of America" to be synonymous with the best; be it art, technology, ideas or anything else. The coins we use today are not the best we can do.

We cannot con the American people. They know we can do better. After 200 years as a nation, they know what we've done in the past. They want us to continue to strive to be the best in the world, whether it's in music, the arts, medicine, or maintaining peace. We can do better with our coins. They know it. The Commission of Fine Arts knows it and I'm sure you know it.

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We Americans have always been a restless people. Always there has always been one more river to cross, one more mountain to climb and one more idea to explore. We honor our leaders and take pride in our past. Stagnation and complacency are an anathema to us. Today we stand on the brink of our third century as a nation. We need to embrace that new century with the enthusiasm with which those who have come before embraced their new challenges and opportunities.

Our coins have often reflected our spirit as a nation and as a people. Our coins have shown Liberty offering an olive branch while prepared for self-defense. Such images were an accurate reflection of the spirit of the time before World War I. We need to reflect our spirit as a nation today as well. The images and symbols from the Great Depression will no longer suffice. We need images and symbols created by our best artists for this generation and for our time if we are to convince not only the world, but even our own people that America has not grown complacent.

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We cannot put a price tag on pride; pride in ourselves and pride in our country. Our new coins should reflect our spirit not only in our lifetime, but for eternity. As is, I can say to you that the Commission supports coin design changes, both for what they can do for us today, and what they will say about us tomorrow. The Commission hopes you agree and will support S.1776. Thank you.

TABLE A
MAJOR COIN DESIGN CHANGES

\$01	\$05	\$10	\$25	\$50
1857	1886	1796	1796	1794
1859	1883	1798 rev.	1804 rev.	1796 obv.
1909	1913	1809	1815	1801 rev.
1959 rev.	1938	1837	1838	1807 total
		1892	1892	1839
		1916	1916	1892
		1946	1932	1916
			1975-6 rev.	1948
				1964
				1975-6 rev.

Senator CRANSTON. Thank you for your very fine testimony, and that is an appropriate quote from Jefferson.

Our next witness is Elvira Clain-Stefanelli.

ELVIRA CLAIN-STEFANELLI, EXECUTIVE DIRECTOR, NATIONAL NUMISMATIC COLLECTION, SMITHSONIAN INSTITUTION, WASHINGTON, DC

Ms. CLAIN-STEFANELLI. Mr. Chairman, Members of the Committee, as a historian, art historian and numismatic researcher, I have approached the question of a change of our coinage by studying its historical evolution and by considering some relevant statistical data as well as by comparing, when appropriate, with the monetary policies of other world powers.

For an overall picture, we will first turn to statistics, our modern substitute for the Oracle of Delphi, which like its ancient counterpart can reveal at a glance any problems and provide quick but sometimes cryptic answers.

Counting only the major types of the six coin denominations still in use today, the "penny" or the one-cent piece has been changed 10 times since its inception in 1793; the nickel or five-cent piece four times; the half dollar 11 times; and the one dollar nine times.

In conclusion, it is quite evident that the greater number of changes were effected in the range of the higher denominations, from the 25-cent piece to the dollar. This trend is borne out also by foreign issues, specifically by those of Germany, Austria, and Switzerland. It seems also remarkable that the American coinage underwent the greater number of changes during the 19th century, in a time when European coinage designs were relatively more stable.

Let us now take a look at our present day coinage: the cent, V.D. Brenner's Lincoln cent, has served the Nation almost 80 years—since 1909; followed by the 56 years of Flanagan's Washington quarter; the 51 years of the Jefferson nickel; the 43 years of the Roosevelt dime; the 25 years of the Kennedy half dollar; and ultimately only a 10-year period for the elusive Susan B. Anthony dollar.

It is indeed an exceptional record, most of the coins have exceeded two and even three times the statutory duration of 25 years granted by law to any coin design. These numbers alone would suffice to justify any action in favor of a change, and we can rightly ask ourselves:

"Can we change our coin designs?"

Yes, we can change at least five out of six coins. But, must we change them?

The answer is no, we are not compelled to alter their ichnography or style. History provides us with sufficient examples of coins which lasted hundreds of years. Athens, one of the greatest political and economic powers of the ancient world, kept purposefully its trade coin, the silver tetradrachm, unchanged for almost 400 years.

But as we progress in time, similar examples become less frequent. The duration of a coin type or design depended in general on the political, military and, of course, economic conditions of that respective country. We can register a drastic change shortly before and after World War II, when a number of varied and often artisti-

cally quite innovative coin designs appeared, especially among the higher denominations of many European and world coinages.

In turning our attention to the United States, we observe that the quest for improvement for the aesthetics of our coinage was quite often expressed, not only by artists, but also by Government officials, Mint Directors, Secretaries of the Treasury, and even by Presidents.

Let me cite from a letter of Mint Director Robert M. Patterson in 1845:

"I confess, however, that I am not myself contented with our coins as works of art"—and again later—"We require an artist of taste, judgment and inventive talent, a man who can devise as well as execute."

"Emphasis, balance, simplicity and dignity are essential in medallic art" echoed Chairman Moore of the Commission of Fine Arts during the long battle for the creation of the Washington quarter in 1932.

Well publicized is the highly emotional involvement of President Theodore Roosevelt with Saint-Gaudens' design for a new gold coinage, which the President called "my pet baby," and it was not the first pet baby.

And which is attested by his voluminous correspondence with the artist and with Mint officials.

Therefore, our tradition of debating and seeking a more beautiful and perfect coinage is well documented as are the varied and strong opinions stirred by almost any of the changes.

But, in retrospect, we cannot deny the Mint our respect and admiration for its role and activity developed during the almost 200 years of trials and tribulations. The many disputes and the bitter criticism are long forgotten; what stands is a remarkable production.

In comparing the coin production in this country with that of some of its contemporaries, such as England, France, Italy, Germany, which had a superb coin tradition of several centuries, we can unabashedly claim our position as one of the leading creators of monetary art.

Our coins were and are different; the various Liberty heads, some coiffed à la Abigail Adams, stood out at their time as a novel approach compared to a sometimes monotonous, in part permeated monetary iconography tied to dynastic interests.

Those early years of the 1790's left us in the lovely, unadorned head of Liberty, created by Joseph Wright for a quarter dollar, one of the most exquisite coin designs in our entire history of monetary art.

Unfortunately, the piece never made it into our coin purses; it remained an almost forgotten trial piece.

By the mid-1800's, after barely 60 years from its beginnings, the United States succeeded to develop a remarkable mastery in coinage.

I am compelled to mention at least James Barton Longacre's work, and his classical head of an "Indian princess," a superb homage of a fine engraver to the art and the heritage of his country.

After J.B. Longacre and Christian Gobrecht, we enter the era of William and Charles Barber and George T. Morgan. Although all of them were highly productive and accomplished craftsmen, their statuesque representations of Liberty imprinted a more emblematic and somewhat distant air to our coinage.

Nevertheless, I cannot refrain from admiring the gemlike beauty of the crowned head of Liberty on the proof surface of the gold pattern piece of William Barber's 1877 50 dollars.

The Barbers as well as George T. Morgan came from England inspired by the neoclassicism of Benedetto Pistrucci and the Wyons. It was only natural that their trend provoked in time the criticism and opposition of a generation of artists educated in the warmer atmosphere of French impressionism, in the school of Oscar Roty and the likes.

President Theodore Roosevelt fully captivated by this innovative spirit and inspired by the work of one of the greatest sculptors of this period, Augustus Saint-Gaudens, lent his whole support and authority to this new challenge of a complete artistic overhaul of the Nation's coinage.

It certainly would have appeared that all the doors were open for an innovation, nevertheless, a long and tenacious battle with tradition and the Mint ensued, with winners and losers on both sides.

Technology won over art, but even the artistic shadows which were left from Roosevelt's dreams and Saint-Gaudens' work gave an enormous impetus to the following decades. It also created a new understanding and respect for art and the longing for a more beautiful coinage.

"Notwithstanding our practical limitations, however, modern coins can still be immensely interesting and beautiful" wrote Secretary of the Treasury MacVeagh who was deeply involved in the lengthy battle for the creation of Fraser's Indian head nickel in 1913.

Roosevelt's art revolution cast long and strong beams of light into the future and under new auspices some of our most beautiful modern coins were created:

Besides V.D. Brenner's Lincoln cent and Saint-Gaudens' famous Liberty I would point out at least Fraser's Indian head nickel, and Adolph Weinman's "walking Liberty" on the half dollar of 1916. It was a new spirit, it was a new coinage which expressed the art ideals of their generation. This Renaissance came to a close with Anthony De Francisci's "peace dollar" of 1922.

This commemorative coin is actually a bridge into a new era in our coinage which spans a period of over half a century up to the present time.

New ideals replaced old ones, the exuberant quest for beauty gave way to a more sedate veneration for history and for the men who forged the destinies of our Nation.

Thus, the commemorative character is strongly accentuated. Actually, these new vistas were opened in 1909 with Lincoln's bust by V.D. Brenner on the one-cent which captivated Roosevelt's admiration.

The result today is an impressive, almost untouchable, ancestral gallery of the founding fathers and spiritual leaders of this country. These people helped the Nation and actually the entire free

world to translate such ideals as liberty, freedom, democracy into realities. Of course, these ideals have evolved with time and have gained new connotations for our generation.

It is my personal conviction that our coinage could only gain if it were to express our notions of liberty, progress, freedom, democracy in a way which could find an echo in the hearts of our own generation.

And since any coinage is the emblem of its country, this new coinage should stand for the entire world as an inspiring testimony of our accomplishments and of our goals as a nation today.

In summing up, I would like to see our coin designs changed to align them spiritually and artistically with our generation and our times. But it is a conditional change which should be done only with the unique scope of an improvement, not a change for the sake of change.

We should keep in mind that after all any coin is the imprint of a generation to future generations and a statement of its credo to the world.

[The complete prepared statement of Ms. Clain-Stefanelli follows:]

Elvira E. Clain-Stefanelli

Mr. Chairman, Members of the Committee

As a historian, art historian and numismatic researcher, I have approached the question of a change of our coinage by studying its historical evolution and by considering some relevant statistical data as well as by comparing, when appropriate, with the monetary policies of other world powers. For an overall picture, we will first turn to statistics, our modern substitute for the Oracle of Delphi, which like its ancient counterpart can reveal at a glance any problems and provide quick but sometimes cryptic answers.

Counting only the major types of the six coin denominations still in use today, the "penny" or the one-cent piece has been changed ten times since its inception in 1793; the nickel or five-cent piece four times; the dime or ten-cent piece seven times; the quarter or 25-cent piece and the half dollar eleven times, and the one dollar nine times. In conclusion, it is quite evident that the greater number of changes were effected in the range of the higher denominations, from the 25-cent piece to the dollar. This trend is born out also by foreign issues, specifically by those of Germany, Austria, and Switzerland. It seems also remarkable that the American coinage underwent the greater number of changes during the 19th century, in a time when European coinage designs were relatively more stable.

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or style. History provides us with sufficient examples of coins which lasted hundreds of years. Athens, one of the greatest political and economic powers of the ancient world kept purposefully its trade coin, the silver tetradrachm, unchanged for almost four hundred years. But as we progress in time, similar examples become less frequent. The duration of a coin type or design depended in general on the political, military and, of course, economic conditions of that respective country. We can register a drastic change shortly before and after World War II, when a number of varied and often artistically quite innovative coin designs appeared, especially among the higher denominations of many European and world coinages.

In turning our attention to the United States, we observe that the quest for improvement for the aesthetics of our coinage was quite often expressed, not only by artists, but also by government officials, mint directors, secretaries of the treasury, and even by presidents. Let me cite from a letter of Mint Director Robert M. Patterson in 1843: "I confess, however, that I am not myself contented with our coins as works of art".... and again later: "We require an artist of taste, judgement and inventive talent, a man who can devise as well as execute." "Emphasis, balance, simplicity and dignity are essential in medalllic art" echoed Chairman Moore of the Commission of Fine Arts during the long battle for the creation of the Washington quarter in 1932. Well publicized is the highly emotional involvement of President Theodore Roosevelt with Saint-Gaudens' design for a new gold coinage, which the President called "my pet baby," and which is attested by his voluminous correspondence with the artist and with mint officials.

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Elvira E. Clain-Stefanelli
Executive Director
National Numismatic Collection
Smithsonian Institution
Washington, DC

Senator CRANSTON. Thank you very much.

And now we will hear from our last panel witness, Edward Rochette.

EDWARD ROCHETTE, MEMBER OF BOARD OF GOVERNORS, AMERICAN NUMISMATIC ASSOCIATION, COLORADO SPRINGS, CO

Mr. ROCHETTE. Thank you very much, Mr. Chairman.

When former President Theodore Roosevelt was asked what he thought was one of the most important contributions of his administration, he replied: The coinage of United States."

Roosevelt cited the redesign of the gold eagle and double eagle, the \$10 and \$20 gold coins, introduced in 1907, above anti-trust legislation, Civil Service reform, Indian rights, land frauds, massive Japanese immigration to California, the Panama Canal, the Russian-Japanese peace treaty, the United States Navy's world tour, and water-power controversies.

Theodore Roosevelt was concerned with the state of the art of American coins when he assumed office. He called the work of the United States Mint—his "pet crime." Roosevelt felt that the coins of the country were unworthy of so great a nation and questioned why the United States could not have coins like the ancient Greeks.

At the time, the circulating cent was the Indian head. The design had been introduced in 1859, almost a half-century earlier. The circulating five-cent piece was the V-nickel, a design just two-decades old.

The dime, quarter and half-dollar were of a design by Charles Barber of the mint staff and had been introduced not too many years earlier, in 1892. All were allegorical representations of Liberty. No circulating U.S. coin design depicted an identifiable person.

President Roosevelt had recognized the additional roles of consequence that coinage plays. Coins more than facilitate trade. They tell a story. They are our foreign ambassadors to the common citizen overseas. Their propaganda message is as important as the Voice of America, and in most cases the message is far better retained. Coins are the face of America in the hands of the people of the world.

Those of you here, who have had the opportunity to travel overseas, know of the popularity of the Kennedy half-dollar. Surely, it is not for its intrinsic value that the coin continues to be so very popular, for the piece is no more than a cupro-nickel clad disk.

Yet, speaking from recent experience, I know that people behind the Iron Curtain: in Poland, in Hungary, in Romania, and in Yugoslavia, given the opportunity, will select a single Kennedy half-dollar over a handful of other U.S. coins with a cumulative face value far above the 50 cents of the Kennedy piece.

The popularity of the coin is due in no small part to the message of hope that the world shared when President Kennedy was elected. Theodore Roosevelt recognized that U.S. coins were more than mediums of exchange.

President Roosevelt personally conducted the campaign for a more artistic series of coin designs. Homer Saint-Gaudens, son of the famed sculptor, related the discourse between his father and

the President. It was in the winter of 1905 when the two met at a dinner in Washington.

During the course of the evening the conversation drifted to the subject of old high-relief Greek coins. Augustus Saint-Gaudens had come to Washington to serve on a committee named by the President to give criticism and advice toward maintaining the beauty of the National Capitol according to the plans of the original architect, L'Enfant.

Roosevelt sought the sculptor's opinion on a variety of subjects but the President noted that one of the most direct ways that the art of sculpture could be brought to bear upon public welfare was through the coinage.

The President told Saint-Gaudens that if he would model the new coin designs that he, as President, would cause them to be minted.

The sculptor's son was to later recall,

The notion of producing worthy coins might never have been carried out; the discussion and desire for them could have lapsed with the end of that dinner had either the President or the artist been a less sincere character. Each proved willing, however, to contribute something to the Nation, the sculptor his genius, the statesman the energy of his position.

It is heartening to note that today, 80 years later, we have 61 Senators of the United States who have expressed the same desire to contribute their energy to correct a problem that has once again manifested itself—that of tired, obsolete designs of the coinage of the nation. The country has the talent, both within the mint and outside the staff, to meet the challenge of genius.

Our current circulating coins spoke well for the Nation a half-century ago when that particular style of coin portraiture was in vogue. But, like the art of the period, such design is passe.

And in the interest of time, I will forego mention of the various designs that were introduced by Roosevelt, or as a result of it. But I have enclosed photographs on what was considered to be some of the most beautiful coins ever struck by any country.

Thank you.

[The complete prepared statement of Edward C. Rochette follows:]

S.1776

A Bill to Modernize United States Circulating Coin Designs

Statement of Edward C. Rochette, representing the American Numismatic Association

Introduction

Distinguished members of the United States Senate Committee on Banking, Housing, and Urban Affairs, good morning. I am Edward C. Rochette, former executive vice president of the American Numismatic Association, a federally chartered non-profit educational organization. I retired from active management of the association in 1985, after twenty-one years of employment, but continue today to serve on its board of governors.

I have made the study of numismatics a lifelong pursuit. I have authored a number of books on the subject and write a weekly column appearing in a number of newspapers throughout the country. The column is distributed by the Los Angeles Times Syndicate. Having traveled extensively on behalf of numismatics and having visited mints throughout the world, I believe that my testimony here today will help give a better understanding of the additional roles of consequence served by the circulating coinage of a nation.

Statement of Support
on Behalf of Coin Design Change

When former President Theodore Roosevelt was asked what he thought was one of the most important contributions of his administration, he replied, "the coinage of the United States." Roosevelt cited the redesign of the gold eagle and double eagle, the \$10 and \$20 gold coins, introduced in 1907, above anti-trust legislation, Civil Service reform, Indian rights, land frauds, massive Japanese immigration to California, the Panama Canal, the Russian-Japanese peace treaty, the United States Navy's world tour, and water-power controversies.

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Statement - Rochette - page 3

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It is heartening to note that today, eighty years later, we have fifty-one senators of the United States who have expressed the same desire to contribute their energy to correct a problem that has once again manifested itself - that of tired, obsolete designs of the coinage of the nation. The country has the talent, both within the mint and outside the staff, to meet the challenge of genius.

Our current circulating coins spoke well for the nation a half-century ago when that particular style of coin portraiture was in vogue. But, like the art of the period, such design is passe. It does not bode our nation well to insist that coin designs remain unchanged on the lame salvo that they have served their purpose well. Could not the same be said of all art of expression? My father revered the Chrysler Airflow, but that was in 1933, a year after the present quarter was introduced.

For the record, the current circulating cent was designed in 1909, the Jefferson nickel is observing its fiftieth anniversary this year and the Washington quarter has been around for fifty-six years. The Roosevelt dime marked its fortieth year of issue two years ago, even the Kennedy half-dollar will have marked a quarter century of issue by next year. And, for all of the 20th century so represented, these coins mark little difference in design - a portrait in profile.

The attention paid American coinage design by President Theodore Roosevelt is reflected in far more than just the two coins designed by August Saint-Gaudens - the \$10 and \$20 gold pieces, then values in circulation. The sculptor was working on the one-cent piece when he succumbed to cancer. But the work of redesign went on and produced some of the most beautiful coins ever executed for general circulation. The U.S., for a period, held the lead and the whole world was aware of it.

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The Lincoln cent, when it was introduced in 1909, created a sensation. This was the first U.S. general circulation coin to bear the portrait of a recognizable person. The coin marked the centennial of the birth of the 16th President. It was designed by Victor D. Brenner, a foreign-born immigrant and helped launch a most successful career for the young sculptor. He had been a pupil of Louis Oscar Roty, who had designed many of the outstanding coins of France. But, in spite of Brenner's talented creation, the design of the Lincoln cent came under severe criticism. It took all of Roosevelt's dynamic leadership to force acceptance of the precedent setting masterpiece. Now, almost eighty years later, Brenner's obverse design remains unchanged.

Even after Roosevelt left office, the trend that he had started continued. Next to be released was the Buffalo nickel. The design was to remain in circulation for the "traditional" quarter-century. Cornelius Vermeule, historian and author, notes that the artist for this coin, James Earle Fraser, had "achieved a perfect synthesis of the ideal, the real, and the traditional in medalllic design. It was Fraser," Vermeule wrote, "who first related these principles to designs for the United States coinage."

As an appointee of Theodore Roosevelt, and an advocate of the former President's motives for coinage redesign, then Secretary of the Treasury Franklin MacVeagh, in announcing the release of this design in 1913, noted that "notwithstanding our practical limitations, modern coins can still be immensely interesting and beautiful; and the designs for the new nickel will give this coin a place with the best modern work." He was right.

Then came the Mercury dime in 1916. Vermeule says the coin "takes it place as the first individual and imaginative design for this small denomination in American numismatic art." The coin, incidentally, portrays Liberty with winged cap and not the Roman god of commerce. The sculptor, A.A. Weinman, was to also contribute another classic design at the period - the Liberty Walking half-dollar. This later piece has been described as "one of the greatest coins of the United States - if not of the world." It is so perfect in balance and design that the United States Mint thought it could not improve upon it and chose the design for its new silver eagles bullion coins. It is a great complement to the art of the past, but a sad commentary on the present. America has the talent, evidence

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the modern commemorative coin creations of Marcel Jovine and Elizabeth Jones. Coinage redesign will give America the opportunity to show the world that it can be a leader in coinage art once again.

Nor should Hermon MacNeil's Liberty Standing quarter be omitted from mention of the bright, beautiful coins of the United States. This coin, too, was introduced in 1916, marking the culmination of the redesign project undertaken by President Roosevelt. Tragically, as outstanding as it was, the coin was to remain in production for a mere fifteen years.

To Summarize

It is a sad commentary when Americans lament the loss of prestige and leadership. We have in our country the greatest resources and talent ever gathered in one nation. The coinage of our country can play a lead in restoring our image abroad and our self-assurance at home. Coins more than facilitate trade and designs more than tell a story. They are visual proof of the talent, the culture, and the history of a country. While there are many reasons to change the obsolete designs of our current coinage, I welcome this opportunity to speak on an important reason that might have been overlooked.

Edward C. Rochette
April 22, 1988

Statement - Rochette - Addendum - 1

AMONG THE WORLD'S MOST BEAUTIFUL COINS



Buffalo Nickel - 1913-1938



Mercury Dime 1916-1945

Statement - Rochette - Addendum - 2

AMONG THE WORLD'S MOST BEAUTIFUL COINS



Liberty Standing Quarter 1916 - 1930



Liberty Walking Half-Dollar 1916 - 1947

Statement - Rochette - Addendum - 3

AMONG THE WORLD'S MOST BEAUTIFUL COINS



Saint-Gaudens \$10 Gold 1907-1933



Saint-Gaudens \$20 Gold 1907-1933

Senator CRANSTON. Thank you very, very much. We appreciate your testimony.

Bill, as author of the legislation, would you start?

Senator ARMSTRONG. Thank you, Mr. Chairman. I want to thank the members of the panel for an extremely interesting series of statements.

I not only listened with interest, but I also reviewed the written material that was submitted.

I join you in congratulating Commissioner Wolf. And I would just add to what you've said, Diane. Enjoy while it lasts. There inevitably on some occasion—at least this is my experience. It probably won't happen to you—but there are those moments of universal public acclaim. They are fleeting. [Laughter.]

Treasure this moment.

Ms. WOLF. I am, sir. I am. [Laughter.]

Senator ARMSTRONG. May I ask a couple of questions, Mr. Chairman?

First of all, I would like to ask Ms. Wolf to comment on the issue—other panelists as well—the issue raised by Director Pope with respect to mid-year introduction.

Do you share that general observation?

Ms. WOLF. I think there are two ways to look at that. The first is that I would be in favor of mid-year introduction for the simple reason that it could raise more seigniorage and profits for the Mint through the sale of numismatic items.

After all, the Mint, much like the Post Office, is a monopoly in this country. The mint is the largest coin dealer.

I would think that any Fortune 500 company would grasp at the opportunity to get its product bought. Therefore, I would think that mid-year introduction would be very good. Perhaps it could start with uncirculated proof sets at the beginning, and then go into the actual, uncirculated sales to the banks through the Federal Reserve at the beginning of the year.

By mid-year introduction of mint and proof sets, additional revenue should be raised by numismatic sales. I think the Mint should do the most it can to make the most money for this country and to take every advantage of that fact.

Senator ARMSTRONG. If this were being done by the Franklin Mint instead of the United States, these coins would be advertised on television and with them you would receive a set of stainless steel mixing bowls. [Laughter.]

And other—well, if you can still do that. [Laughter.]

Mr. HAYES. Not a bad idea.

Ms. CLAIN-STEFANELLI. Nobody prevents the Mint from doing it.

Mr. HAYES. Mid-year introduction has occurred so many times that you can predict only that there is uncertainty. In 1883, the nickels were made. Two nickels were made. The one that became rare was common and then the one that was common became rare because nobody kept it because it was common.

In 1913, there were subtle design changes in the Buffalo nickel and that resulted in incomparable rarity.

In 1938, when we introduced the Jefferson nickel, we still had so many remnants of the previous Indian head nickels. Sometimes the lower mintage becomes rare and sometimes it doesn't.

I think, with the capacity to produce now, there is no comparison to previous years of mid-year introduction because the number has been a modern mint, as there is presently in the United States, so quickly able to react.

A December introduction without preparation of dies, a rarity could be created intentionally. But, other than with the express intent of a rarity, it can no longer happen. And if you're worried about the whims of the public, then we'd better mention the stock market and they should phase out their operation.

Senator ARMSTRONG. In brief, coin collectors are like voters. You cannot tell what they're going to do.

Mr. HAYES. That is very accurate.

Senator ARMSTRONG. Thank you very much.

Ms. Clain-Stefanelli, I was intrigued by your reference to the Oracle of Delphi and I just wanted to mention to you that some of my colleagues think that they are the Oracle of Delphi. [Laughter.]

Ms. CLAIN-STEFANELLI. We have just duplicated the number of Oracles.

Senator ARMSTRONG. Thank you for your statement.

Thank you also, Mr. Rochette. Welcome to Washington. I was pleased that you mentioned Theodore Roosevelt, whom I admired greatly. And since you and I share a common interest in the Pike's Peak region, as you know, President Roosevelt had a long interest in that part of the world and spoke about our State on many occasions.

I view what the chairman said at the outset, I will not presume—I presume I envision to put a Colorado slogan on the back of these coins would—but it would be appropriate, wouldn't it?

Mr. Rochette. We could be ABC—Always Buy Colorado. [Laughter.]

Senator ARMSTRONG. Thank you.

And, thank you, Mr. Chairman.

Senator CRANSTON. I would like to ask you one question, Diane. You have suggested in the past, I believe, that the Treasury Department might well hold a compensated competition for artists to submit designs for proposed new coinage designs.

Would you amplify why you think that might be a good approach?

Ms. WOLF. In preparation for new circulating coin designs, the Commission of Fine Arts for the last two commemorative coins has recommended that invited compensated competitions be held for commemorative coins. These have been the only two times that invited compensated competitions for commemorative coins have taken place in our Nation's history.

The reason the Commission recommended these competitions was because we were not particularly pleased with the designs which had been submitted by the Mint. That is not to suggest that the Mint's artists aren't great, but we wanted to encourage some fresh ideas.

We found that by inviting outside artists to compete, we were getting better artistic quality. However, the Commission still is not convinced that we really have reached the premier American artists. We were rather disappointed with the Olympic designs.

The Commission feels that art on our coins is very important. Medallistic immortality requires artistic responsibility. These coins are going to exist long after we are gone. We should have America's best artists competing.

We feel that our coins really should be comparable in beauty with those of earlier American designs as well as those of other countries and ancient civilizations. We have made progress toward this goal through invited compensated competitions. The Commission has encouraged inviting other artists to future competitions. The Commission is dedicated to continuing to improve on U.S. medallistic designs.

Senator CRANSTON. It is not your view, but a view of the Commission?

Ms. WOLF. It is the view of the Commission. We have encouraged the Treasury to hold such competitions. The Treasury has gone out of its way in the past two competitions to work with the Commission. We are coming to a greater understanding.

Senator CRANSTON. Good. Thank you.

Ms. WOLF. May I add that in the Olympic coin competition, artists were paid \$250 a side to compete. So they were paid \$1,000 for four sketches. They could submit more if they wanted and some did.

The Mint's artists were also included. I would include Mint artists in all invited compensated competitions.

As it turned out, two Mint artists who were invited won, as did two outside artists. Therefore, the total cost of that competition was \$9,000. The Olympic Coin series, if I'm not mistaken, can generate as much as \$105 million in surcharges. So, for \$9,000, to get \$105 million for beautiful coins is not a big investment.

Senator CRANSTON. Thank you very much.

Ms. CLAIN-STEFANELLI. I would like to add something. If you go into history, we see the same problem. The Mint officials, especially Mint engravers, would complain very bitterly about the open competitions, and the big confusion, which resulted in loss of time and endless experimenting.

This would also—we would be in favor of the limited competition. We would see that as a historical fact.

Ms. WOLF. The artists should be involved.

Ms. CLAIN-STEFANELLI. Yes, artists in a limited competition.

Senator CRANSTON. Thank you.

John.

Senator CHAFEE. Thank you, Mr. Chairman. I would like to ask a question from anybody in the panel—unfortunately, I had to detour to another committee meeting—in connection with the testimony of Director Pope. That was the fact that we have to keep producing these coins at such a high rate.

And my question is: What happens to them all?

What happens to the Roosevelt dime? Do people stash them away under their mattresses? Or in bank vaults?

Why is it that the Mint is just grinding out coins every day?

Mr. ROCHETTE. I would like to answer that. I think people do not realize how many vending machines we have in this country today. They take millions and millions of coins every single day. And they're not always emptied each day.

So you have to have a huge inventory of coins.

Senator CHAFEE. But, in her testimony, Ms. Pope says the usage of these coins has leapt over the past 25 years from, say, 3 billion, to 14 billion to 16 billion now, if I understood her figure.

That's from 3 to 16 or nearly sixfold.

Mr. ROCHETTE. Wherever you go, you will see vending machines. And they are holding the coins. If you go into a store, you spend it, that coin is then used as change right away.

In the vending machine industry, they are just accumulated over a period of time. They do get back into circulation.

Senator CHAFEE. Parking meters have been around for 40 years, so they're nothing new.

Mr. ROCHETTE. Except the number of them.

Senator CHAFEE. So, it is the rise of the vending machines?

Mr. ROCHETTE. That is one of the contributing factors. Another one is the 1 cent piece. Everybody empties their pocket at night and they are thrown in jars and they are not recirculated.

Senator CHAFEE. We've been doing that for years.

Mr. ROCHETTE. We have a greater population, too.

Senator CHAFEE. I see. All right.

Now, the other question, and I was going to ask Diane Wolf about was—if we have these new coin designs on the opposite side, the reverse side, how are we going to keep special pressure groups wanting this or that to commemorate some group?

We've got 128 nationalities represented in the United States. And each one is probably going to want something peculiar to their forebears on the coins.

How are we going to resist that pressure?

Ms. WOLF. Very easily. Let me tell you one anecdote that I think summarizes your concerns.

Senator CHAFEE. Am I on turf that others have discussed?

Ms. WOLF. No. I'm delighted you're asking these questions. I will tell you a very interesting story which really is of historical significance.

When the Commission of Fine Arts looked at the submissions for the Olympic commemorative coins earlier this year, there were 84 submissions. The Commission members had never seen them before as a group. We walked into the room and within minutes we all agreed that we did not want to have any particular representational figures or any particular sports. This was because we could envision that advocates of one sport would become upset if their sport was not represented. Summer sport enthusiasts could become upset if winter sports were depicted and vice versa.

Therefore, we ended up with allegorical figures or representations or symbols. Historically, allegorical figures and symbols have appeared on American coinage. From studying numismatic history, I believe we should continue in this vein.

I like Senator Cranston's amendment to specify specific themes. In talking with Senator Cranston's staff, one of the members brought up the point that the three branches of the Government of the United States have never really been depicted in a major way on a coin.

Coins really should represent the ideals, hopes, dreams, and celebrations of this country. Themes on U.S. coins should be instant international reminders for which America stands.

Senator CHAFEE. I'm all for that. I think that you have a minefield to walk through. And, again, I'm looking at the nickel that had the Indian on it. I suppose somebody could say:

Well, the Indian has been on it, why not Eskimos?

Ms. WOLF. We have become much more sensitive in this country to different interest groups.

The Commission has already shown through the Olympic competition I mentioned, that we can resist pressure. Our preference is the representation of allegorical figures or symbols.

Senator CHAFEE. I'm not suggesting it is a problem. Is it an insult to have an Indian on a coin?

Ms. WOLF. I think it is one of the best designed coins we have.

But, as I said previously, the Commission has learned that America's ideas have evolved.

Mr. HAYES. One of the sponsors of this bill thinks it's the greatest coin ever minted in the history of the United States.

The alternative is even more interesting though. Should we never change for fear that we will be faced with competitive groups each morning to have their representation? Shall we quit building monuments because we're not building monuments to all 128 ethnic origins in the United States?

Should we not have built the Vietnam Memorial because of so many other wars not commemorated on equal footing?

I think the coinage has to reflect the culture. In 1860, Pike's Peak was on the obverse of two beautiful gold coins. They were minted for that 1 year, but preserved forever. And the history surrounding that still is commemorated in Denver.

The competing interests all of us face in every piece of legislation that we pass, we can certainly deal with it on one more occasion. And the chairman's suggestion happens to coincide with the belief I have often felt.

That is that, once again, the configuration of Liberty would be awfully nice to again grace the coinage of the United States of America.

Senator CHAFEE. I want to say this is interesting and exciting. I want to commend all of those involved, especially Ms. Wolf, who has been so active. And also to say that I do hope that you won't bend to special pressures, that it will be magnificent if you can produce something that we will look back on and say:

Isn't that a great tribute to our Nation's heritage, and not succumb to every pressure that comes around—because there will be plenty of them.

Senator CRANSTON. Thank you very much.

I would like to ask you one question, Mr. Rochette.

What has happened to all of those pennies and nickels and dimes that get thrown into a glass jar or a box?

Mr. ROCHETTE. Eventually, they come back. Remember, we only have about two to three million collectors in the country and they could not take all of the production of the U.S. Mint.

I was trying to—after I talked—made my remark earlier, I was trying to think of how many vending machines there are in this country. Not only are there vending machines, but change machines, too.

You put a \$1 bill in and you get your \$1 in change. They have to have enough money in there for hundreds of people going by every single day.

And I don't think people have stopped to realize how much we have of an automated society that depends upon putting a piece of paper in and getting a coin back.

I think they eventually make their way back into circulation. But it is true, you do not see—people today are pulling the "wheat" cent out of circulation, as we did when I was a youngster pulling the Indian head cent out of circulation.

Senator CRANSTON. Thank you all very much. You have been very helpful.

We will now hear from our second panel, Beth Deisher and David Harper.

STATEMENT OF BETH DEISHER, EDITOR, COIN WORLD, SYDNEY, OH

Ms. DEISHER. My name is Beth Deisher. I am editor of Coin World, the newspaper of record for the entire numismatic field. Published weekly in Sidney, Ohio, Coin World has the largest paid circulation of the six major periodicals published in the United States with specialized coverage of coin collecting.

Thank you for inviting Coin World to share the views of our readers and our editors on the important topic of modernizing the designs on United States circulating coins.

New designs for our Nation's circulating coins has been one of the most talked-about and written-about topics in the 28-year history of our publication.

While the current drive for new designs has for the past 12 months dominated the headlines of our news columns, has brought forth hundreds of letters to the editor, and has spawned no less than five editorials, Coin World has long been on record as advocating new designs for our circulating coins.

My predecessor, Margo Russell, who served as editor for 23 years, championed the cause for many years. I'd like to share a couple of brief excerpts from a December 28, 1977, editorial she wrote as she looked to the new year of 1978:

We must have some new interest in our United States coinage system. Father Time as indeed caught up with it, especially when it comes to design changes.

After discussing each denomination's design and its longevity, Mrs. Russell ended with the following comments:

... The coins of Caesar are still with us, delivering a message of history and civilization past. We can only hope our coins of the future will be more inspired, truer chronicles of our great Nation as it nears the 21st century.

As much as we like Ike, respect and admire Abraham Lincoln and Thomas Jefferson, revere the father of our country beyond measure, honor Franklin D. Roosevelt and mourn after John F. Kennedy, these leaders have been sufficiently recorded on our coins for posterity. It's time for a change—not for change's sake—but for the sake of history.

Numismatists—those engaged in numismatics as a science and coin collecting as a hobby—have additionally taken the lead in

chronicling coinage history. Indeed, to wear the badge of numismatist, one must be as versed in history and art as one is in the technological aspects of coinage production.

We take the view that coins should be more than simply functional and familiar. Coins are mirrors of a nation's culture. Indeed, they are pocket-size works of art that have throughout history reflected the aesthetic attainments and aspirations of various nations.

Often coins are one of the few survivors of a civilization. By studying an earlier civilization's coinage, we can verify not only facial characteristics of their leaders, but we often learn about aspects of the peoples' lives as mundane as the foods they ate.

We learn, too, about the more extraordinary happenings such as their military victories and their athletic accomplishments.

The coin designs also tell us about their ideals as a people or nation. The metallic content and degree of artistic achievement give us clues about the state of their economies and their advancement within the long trek toward mechanization.

Applying this to our own country, we find that our early heritage in U.S. coin design was to convey to the world at large our young Nation's ideals, expectations and values. Most of the designs were allegorical.

The move toward the presidential portrait series which we find on our circulating coins today, of course, began with the Lincoln portrait in 1909. We can point to no document or great study which recommended presidential portraits. Rather, this series simply evolved, more commemorative in nature than a planned or intended series.

We certainly have no quarrel with the artistic qualities of the presidential portraits. We simply state that each of these designs has had its place in history. We believe it is time for new designs.

The law specifically stating that designs should remain on our circulating coins for a period of 25 years unless expressly changed by directive of Congress is good. That ensures that design changes will not be made without due consideration and broad consensus.

But, conversely, empowering the Secretary of the Treasury to order a new design for a denomination after any certain design has remained on the coin for 25 years acknowledges the need and responsibility to keep designs current and reflective of our Nation's values and aspirations at specific intervals.

With the evolution of the presidential series, a certain malaise appears to have trapped our decision makers and we find our country has endured the longest period in our history without major changes in the designs of our circulating coins.

Recent Secretaries of the Treasury have been reluctant to order new designs, for fear of political repercussions. Would they be labeled as the person or administration who took Lincoln, Jefferson, Roosevelt, Washington, or Kennedy off of the respective coins?

Thus, we have had a long period of official silence.

The Reagan Administration appears willing to pass the buck to Congress.

Congress, we find, has not only the courage to investigate the situation, but by holding this hearing you are demonstrating your

leadership role in an important area of our Nation's history and culture.

We enthusiastically ~~urge~~ urge you to leave no doubt that the legislative branch of Government favors new designs for our country's circulating coins.

We enthusiastically support S. 1776, with the exception of one line of the proposal. We call your attention to line 20 on page 2 of the bill as drafted. We would strongly urge the deletion of the words "contain the likeness of those currently displayed and".

The deletion would have the effect of opening the obverses of our circulating coins for consideration of new designs. The legislation as drafted simply mandates new portraits honoring the same five presidents who now grace these coins.

Although this concept may have been politically expedient at the time this proposal was drafted, we implore you to consider more thoroughly the ramifications, should this legislation become law.

By consciously continuing the presidential portraits and mandating that the portraits of these same five individuals be used, are we saying to our people and the world at large that only presidents of the United States are important and only these five men have made our country what it is today?

Remember, these designs are likely to take us into the 21st century.

Ironically, we have gone so long without new designs, our current coins have been relegated to the status of being "just there." Outside of coin collectors, how many in the general population can accurately relate the hows and whys which motivated the selection of our current designs?

Let me share with you an experiment which I conducted last year. During a conversation with four non-coin-collecting friends I interjected the topic of coin designs. Not one had the foggiest notion of how the designs came to be on our circulating coins.

Two—under 30 years of age—guessed that "they've always been there." Another ventured a guess that "only presidents could be on coins," and the fourth admitted: "I never really thought about it before. How did they get there?"

There are two additional facts that are important to know about these four individuals. All are college graduates and each appears to be successful in his or her chosen field of endeavor.

We have no doubt but what this experience could be replicated many times in virtually any part of our Nation. For the most part, the textbooks used in our Nation's public schools rarely mention coinage. Coins' most obvious use in texts are for an arithmetic function in the elementary grades. In general, we are a people vastly unaware of our coinage designs and coinage heritage.

There is little doubt that any change in the designs to our circulating coinage will focus the public's attention on coins. And this is why it is so important that the best decisions be made.

We would suggest that the best approach would be to move away from mandating presidential portraits, for simply refurbishing the current portraits could prove to be the greatest area of concern and the greatest area of controversy.

It has been our experience that our readers overwhelmingly favor new designs and the public at large, once it understands what is at issue, also favors new designs.

Last May, Coin World sponsored a petition in order to provide our readers with an opportunity to express their desires for new designs. Please understand, this was not an advertising campaign nor was it a lobbying attempt or numbers game. It was an opportunity for expression. More than 12,000 individuals signed the petitions which I delivered to Treasurer Katherine D. Ortega.

For me, one of the most interesting aspects of the petition drive was the fact that as I traveled across the country in my normal duties as editor, people would seek me out at coin shows and educational forums to talk about the idea of design changes.

Hundreds of individuals began their conversations with statements such as:

I want you to know that I'm 100 percent for design changes. But I'm afraid to sign this petition and there's just no way I would take this door to door in my community.

Their fears, I learned, were twofold: First, they were afraid of being identified in their communities as coin collectors because of safety and security concerns. Burglars often target collectors and coin dealers.

Second, they did not want their names to appear on lists. Despite assurances that the names on the petitions would not be divulged to any source other than Treasurer Ortega and her staff, it seems many people shy away from signing petitions these days.

Once these concerns were stated, the conversations would turn to the desire for new designs and the most appropriate themes for new designs. The vast majority of people who have expressed opinions to Coin World, either in person or by letter—samples of which are attached to this statement—advocate new designs reflecting our Nation's ideals, values, and accomplishments.

Discussions focusing on the presidential portraits often prompted sincere questioning of why only these five presidents have been selected for the honor of appearing on U.S. coins. Often, Presidents such as Madison are singled out as sadly overlooked.

This dialogue with our readers and the public in general has also brought us to the realization that various segments of our population today are sensitive to various deeds and actions, no matter how great a status history accords a hero.

For example, there are those who would point out that our five circulating coins contain the portraits of two slave owners, a man who suspended much of the Bill of Rights during an internal rebellion, another leader who placed fellow American citizens in "detention" camps because of their racial heritage, and a president whose dislike for a leader of nearby island nation is said to have played a role in his ordering a military invasion and advocating the overthrow of that leader.

Shocking, isn't it?

Of course, the references are to George Washington and Thomas Jefferson, both of whom owned slaves; Abraham Lincoln, who during the Civil War, routinely flouted the Constitution and the Bill of Rights in the name of preserving the Union; Franklin D.

Roosevelt, who ordered the detention during World War II of American citizens merely for the "crime" of having a Japanese heritage; and John F. Kennedy, whose dislike of Fidel Castro is said to have played a part in his ordering the Bay of Pigs invasion and, if some reports are to be believed, may have condoned the attempted assassination of the Cuban leader.

Our purpose in using this illustration is surely not to detract from the great contributions each of these presidents has made to our great Nation. Rather it is to point to the problems inherent in using portraits of individuals, no matter how beloved at the time. Different generations see events and actions in different lights.

We can appreciate the fact that our Nation's capital and the halls of Congress today are overflowing with lobbyists representing special interest groups. It would be difficult indeed to gain any consensus of who would replace Washington, Jefferson, Lincoln, Roosevelt, and Kennedy, if we were to attempt to do so with other individuals.

We would recommend that a better choice would be to honor America:

What our Nation has accomplished. What our Nation represents. What our Nation seeks to be.

It is not our purpose here to specify a design for each denomination, nor do we believe that it would be a prudent step for the legislation to take. Rather, we would point to broad themes such as those enunciated in our Declaration of Independence and our Constitution:

Life, Liberty, Freedom, Human Dignity, Self-Reliance, Individual Responsibility, Opportunity, and Tolerance. Also worthy of exploration are American achievement, invention, and compassion.

We would trust contemporary American artists to interpret such great themes for appropriate designs on our coins.

We vigorously support the concept of compensated design competitions to ensure that the very best of American art can be assured for our coins.

These are exciting and challenging times for our country. How fortunate we are to have Elizabeth Jones as Chief Sculptor-Engraver of the United States Mint. Her work is acclaimed worldwide by her peers in the art community and her designs in the modern commemorative series, such as the 1986 Statute of Liberty, no doubt have played a major role in awakening the numismatic community to the fact that our coins can be both beautiful and meaningful in today's world. Our coins should not only speak to our people, but they should be proud calling cards in the world community.

We would urge the Secretary of the Treasury to form an Advisory Committee on Coinage Design which would be responsible for conducting design competitions judged by professional artists and/or those with recognized art credentials.

We would suggest that such an advisory panel include artists experienced in a variety of disciplines, especially medallic art and sculpture.

Such an advisory committee would in no way duplicate the function of the Commission of Fine Arts, whose specific role is to

review selected designs and make suggestions to the Secretary as to needed refinements in designs which he selects.

Some have tried to portray the current effort to bring about new designs for our circulating coins as a special interest of coin collectors.

The call for new designs is a special interest and a special responsibility we in the numismatic community pursue with pride.

For it is we who have the expertise to bring out the points which should and must be considered. There is certainly historical precedent for the numismatic community providing its guidance in this important but highly specialized facet of our Nation's life.

Those acquainted with numismatic history are very aware that the American Numismatic Association played a key role in bringing about the beautiful Peace dollar design. It is well-documented how leaders of the American Numismatic Society were largely responsible for the Saint-Gaudens double eagle and eagle designs as well as the Bela L. Pratt half eagle and quarter eagle.

The ANS formed a committee to urge President Theodore Roosevelt to consider a more artistic coinage, prepared resolutions, drew up plans for a contest among sculptors to design new coins, greeted the new Lincoln head cent in 1909 with pride, and considered it a major victory when the government recognized the wisdom of redesigning fractional currency, including the new Indian Head 5-cent piece with the Buffalo reverse, the Winged Liberty Head or "Mercury" dime, the Walking Liberty half dollar and the quarter dollar featuring the Standing Liberty design.

Proudly we note that the numismatic community was instrumental in helping to bring about some of the most artistically acclaimed and beloved coinage designs in our nation's history.

But that was at the beginning of the 20th century. Those designs are no longer in circulation to inspire our people. Few beyond coin collectors ever see them any more.

We view it as a special responsibility and indeed as part of our legacy to provide the leadership in the area of coinage redesign.

Some have advocated a change in designs in the belief that it could generate huge profits from seignorage or from the sale of collector sets. Our analysis leads us to believe that such is a remote possibility.

A more realistic view, we believe, is that seignorage revenue and sales of collector sets may slightly surpass recent levels.

Our support for design changes is not based on an ability to generate profits. Rather we believe design changes can be accomplished with no net cost to the American taxpayer.

We believe new designs for our circulating coins are desirable. We believe our great nation deserves to once again have beautiful and inspiring designs. We believe those designs should honor America. And we believe new designs can and should lead us into the 21st century.

I would like to state for the record that we enthusiastically support the amendments Senator Cranston announced at the beginning of the hearing this morning.

Senator ARMSTRONG [presiding]. Thank you very much for that testimony.

And now I'm sure that you have all heard of Pavlov. And you will have been hearing the bells that are ringing, and it will be necessary for the Members of the Congress to go over to the floor and vote, as there is this reaction, the Pavlov reaction, that requires us to go do that.

And so, Mr. Harper, if you would wait until after our recess, which will be 8 or 9 minutes—and if Senator Cranston comes back before I do, then he will continue the hearing. Otherwise, I will come back and chair the hearing in approximately 10 minutes, more or less.

[Recess.]

Senator CRANSTON. The hearing will please come to order. We will now hear from our final witness, David Harper, Editor of Numismatic News.

Mr. HARPER. Mr. Chairman, I'm very glad to be here today, and I'm glad you came back.

Senator CRANSTON. Where you worried?

Mr. HARPER. Just a little.

DAVID C. HARPER, EDITOR, NUMISMATIC NEWS, IOLA, WI

Mr. HARPER. I am here to strongly endorse the changing of the designs on behalf of the Nation's millions of coin collectors, on behalf of the firm for which I work, which, for 36 years, has kept its fingers on the pulse of the Nation's coin collectors.

The terms of the legislation would make everyone winners, and I am delighted to see all of the positive testimony here today. Coin collectors would have new coin issues to collect; artists would have an unparalleled opportunity to have their work appreciated by millions; and the American people would have a once in a generation opportunity to become personally involved with their coins, to appreciate the historical contributions made by the Presidents who appear on them.

And, finally, the Federal Government would make an enormous sum of money during the 6 year phase-in period of the new coin designs.

If I am here for no other reason, I am here because I am the author of profit figure that has become famous and it has taken on a life of its own.

Last November, I published an estimate of \$2.3 billion in profits that would accrue from design changes.

I am here to repeat that figure and to provide this panel with supporting data. I would invite you now to look at page 5 of my prepared statement. This estimate of \$216 million was my first one. It was published July 7, 1987. It is a 1-year figure based on the assumptions that all five coin designs would be changed within 1 year and that no fanfare would accompany the changes.

Because of the introduction of Senate Bill 1776, the terms of debate were changed, so I had to change my estimate. The introduction period was changed to 6 years from one and the purpose of the exercise as I understand it is to generate maximum publicity and maximum profit.

I noted from the Treasury statement that they seemed to be working at cross-purposes in trying to minimize profit rather than maximizing it.

My second estimate is explained on pages 7 through 9 in my prepared statement. In this case, I also added the interest the government would not have to pay on a sum of money it would not have to borrow equivalent to the design change profit.

I also calculated additional profits generated by the sale of additional special coin issues associated with design changes for collectors.

The total was \$2.3 billion and, as I say, I published it last November 10th.

I have put a third set of backup data together and it is on page 6. And if you study nothing else, I invite you to look at it. It is the historical record. It tells you what happened in the 13 times in the last 100 years where we changed coin designs.

I took 5-year periods before designs were changed and compared them to the 5-year periods after designs were changed.

In 10 cases, revenue went up, production went up and, in three cases, they declined. But, on average, the increase was 50.8 percent in the total number of coins minted.

This was just some simple arithmetic considering that the mint turned over in fiscal 1987 a seigniorage profit of \$458 million, you increase it by 50.8 percent, you get roughly an additional \$232 million.

Multiply that by 6 and you're up to almost \$1.4 billion. I am very comfortably back in the neighborhood of my November estimate. And if for no other reason, I think the historical record supports my initial estimate.

And as I say, I'm here to repeat it.

To summarize, I submit that everybody comes out winners in this issue. Collectors win. Artists win. The American people win. And the taxpayer wins. And when you have that kind of an equation to work with, I encourage you to support this legislation, to report it favorably to the floor.

Thank you for your time.

[The complete prepared statement of David C. Harper follows:]

REMARKS OF DAVID C. HARPER
 EDITOR OF NUMISMATIC NEWS
 IOLA, WISCONSIN
 BEFORE THE SENATE BANKING COMMITTEE
 APRIL 22, 1988

I appreciate this opportunity to address the Senate Banking Committee. My name is David C. Harper. I am editor of the weekly newspaper-format hobby journal *Numismatic News*, which along with four other numismatic hobby periodicals and our world recognized Standard Catalog numismatic reference book series, is published by Krause Publications in Iola, Wis.

The reason I am here is to offer my strongest possible endorsement of Senate Bill 1776. It is a bill to redesign the cent, nickel, dime, quarter and half dollar over a six-year period. It is the opinion of the 14-member numismatic staff at Krause that all parties affected by the terms of this bill would come out winners should it be enacted. That is why we support it and that is why we became involved in an effort to change coin designs beginning with the Feb. 10, 1987, issue of *Numismatic News*. We hope the logic of our position, after you have studied it, will become as compelling to you as it is to us.

Coin collectors, medallic artists, the American people and their government will enjoy positive results from this legislation.

We took a survey of our readers during the month of February 1987. A copy of the results is attached to this testimony. Response, by our standards, was enormous. A total of 2,117 subscribers, or 6.6 percent, took the time to fill out the form and return it to us. This came from a national subscriber base of 32,000. Of the respondents, 93 percent wanted to see designs changed.

Despite the fact that the survey was not taken with sophisticated polling methodology and, therefore, represents only the opinions of those who participated, we are convinced it is representative of overall collector sentiment. The reason for this is because we did another survey in early 1985. We asked our readers at that time whether they supported the idea of commemorative coinage to honor the 100th anniversary of the Statue of Liberty. Some 93 percent did. However, the total number of responses was only 1,129, from a subscriber base larger than that which existed in 1987. The Statue of Liberty program went on to become the most successful commemorative program in the history of the country.

We believe the much larger numerical response generated by the design survey is indicative of the favorable sentiment among collectors toward the idea of design changes and of a deep level of commitment to the idea.

Why do collectors support design changes? Personally, they would enjoy something new to collect. In our February 1987 survey, 93 percent of respondents said design changes would encourage more people to collect coins.

On a more intellectual level, collectors recognize the fact that design changes have occurred on a regular basis since the founding of the Republic and they believe the tradition of change should continue. They recognize that as the character of the nation evolves, so too does its coinage, and they think it is time for this generation to put its ideals and aspirations on our coins.

To the present generation, coin designs seem fixed, but that is only because it has been 24 years since the last one was done. Collectors look at the larger fact that in the past 100 years there have been 13 complete changes to the designs of the cent through half dollar, and several additional partial changes. The designs were not changed because the previous ones were somehow defective or no longer fulfilled their primary role as a medium of exchange. They were changed because it was time. History called our coinage to the next stage.

I am here to tell you that once again it is time. History is calling. Our current coinage is not defective. It fulfills its role as medium of exchange. But, as has happened 13 times in the past century, it is time for change. That is the message of collectors.

Why should collectors be listened to? In short, we are keepers of the flame. We study coins. We understand what they are and what they are supposed to be. We think about them week in and week out. Just as bankers are called to testify about banking deregulation, collectors appropriately should be consulted and their opinion about our coinage should be carefully weighed. It is a well studied, well researched and well grounded opinion.

Collectors are numerous. The Mint has a mailing list of 3.2 million names. We at Krause Publications maintain a list of about 500,000 names of active subscribers and book buyers with whom we do business on a regular basis.

Those things said, it is important to point out that we are not pie-in-the-sky individuals. We are practical people. History may be calling, but we also have checked to make sure that the Mint has the productive capacity to respond. Coin production has fallen in the 1980s. The Mint has excess capacity. In Fiscal Year 1987, the Mint produced 12.7 billion coins. In the early part of the decade the Mint's production was nudging 20 billion coins annually. The Mint also has a coin surplus in storage. The Mint could not be better positioned to handle a design-change transition period.

Another element that must be considered is the nation's willingness to accept change. As this decade dawned, things were rather simple from the perspective of the country's coinage. There were no commemorative coins being issued. There were no gold and silver bullion coins being struck and there were no annual catalogs from the Mint offering a variety of numismatic items for sale to the public. There was also an ingrained opinion in the administrative and legislative branches of government that change in all its aspects was to be avoided.

Since then, however, we have experienced an incredibly innovative period. Commemorative coinage came roaring back in 1982 with the Washington commemorative half dollar. Bullion coinage was authorized and produced. The annual Mint sales catalog generated enormous sales to people. In each instance, innovation met with wide approval and success. In each instance, the collector community reacted first to say they would be successful.

With such a record of coinage success in the 1980s, now is the time for new designs on our circulating coins, the ultimate innovation. It will be well received. Each coin collector will act as an ambassador of goodwill in every nook and cranny of the nation.

Collectors urge that we take advantage of this opportunity.

I stated earlier that the medallic-arts community would also benefit from design changes. I defer to superior opinions on this topic, but I feel I can say that design changes are a major opportunity for artists. From the Mint's top-notch sculptor/ engraver staff to medallists around the country, the possibility of having one's work struck by the billions and seen by everyone in the country is a once-in-a-lifetime chance.

The American people are the third group I mentioned that would benefit. I feel this strongly. Most individuals cannot tell you which presidents appear on our coinage. Most individuals probably do not think about the designs except in rare instances. Design changes provide those rare chances for a moment's reflection on our coins and on the message they are trying to convey. Design changes would deliver a national civics lesson. Terms of S. 1776 specify that the current presidents will be retained on our coinage. However, that leaves open the option of rendering new portraits of each. We recommend those new portraits be done.

George Washington was not placed on our quarter through whim. His role in our history is without equal. A new portrait of him placed on the quarter would be a reminder to everyone of the nation's historical roots and what it truly is that we stand for.

Back in the spring of 1964 I had been collecting coins for less than a year. A new half dollar was being released. It honored John F. Kennedy, a president who had been tragically assassinated. I wanted one. So, too, did millions of other Americans. I stood in a very long line at my local bank. The limit on the number of Kennedy half dollars I could get was two coins. I still have them. I still treasure them.

The reason the coins were rationed was due to the incredibly emotional message our coins can communicate if we choose to use them in that manner. To all Americans who stood in line in 1964, a Kennedy half dollar means just a little bit more than the rest of our coins. We relate to it on a personal level. Design changes during the next six years would give the present generation that opportunity to relate to our coins and our history on a personal level.

My final beneficiary is the government. It will make money on coin design changes, a lot of money. That will benefit all taxpayers. The only thing in question is how much money design changes will earn.

If I am here for no other reason, it is probably due to the fact that I am the author of a profit figure that has become famous. It has taken on a life of its own far beyond the circulation of *Numismatic News*.

I prepared and published two estimates of the profits that would accrue to the government should it choose to change coin designs. The first figure was \$216 million. That was published July 7, 1987. It was based on my interpretation of historical precedent and it rested squarely on the premises that all five circulating coins would see their designs change within a 12-month period and that the coins would be introduced to circulation without any fanfare.

Introduction of S. 1776 altered the premises on which that estimate was made, so I set to work to take the new factors proposed in the bill into account. The legislation specifies a six-year phase-in of designs, not one. My second estimate, published Nov. 24, 1987, was based on the Mint's using its very considerable ability to focus the nation's attention on our coinage and to generate as much publicity and profit as it can at the introduction of each new design. I also added two new elements. Since the phase-in would be over six years, I calculated the amount of interest the government would save by not having to borrow a sum of money equal to the coinage profit derived from design changes. I also added in the net increase in sales of special sets to collectors. The result was a six-year profit figure of \$2.3 billion.

I have attached to this testimony tables and news stories relating to my first and second estimates. I believe they are sound given the premises on which they are based.

I would like to make one final point regarding profit. Earlier I stated that designs have been changed 13 times in the last 100 years on the cent through half dollar. Based on mintage figures available in popular sources I found that on average, mintages rose by 51 percent during the five years following a design change when compared to the production of the previous five years of an old design. In 10 cases, mintage went up following a design change and in three instances, the five-year mintage figure declined. On average, though, as I said, the totals rose 51 percent. In Fiscal Year 1987, the Mint turned over to the Treasury a profit generated by seigniorage of \$458 million. I leave it to you to do the calculation of the resulting six-year profit figure.

It is clear to me that the government will make money on design changes. Only the size of the profit is undetermined.

To sum up my position, design changes are desirable from all of the angles I have examined. Collectors win. Artists win. The American people win. The taxpayer wins.

I strongly urge the Senate Banking Committee to report this bill favorably to the floor.

QUESTION: Current law mandates that specific inscriptions appear on each side of legal tender coins. These are: (on the obverse) - In God We Trust"; "Liberty"; (on the reverse) - "United States of America"; "E Pluribus Unum"; and the spelled-out designation of the value of the coin. In your testimony, you suggested that the Mint use Arabic numerals to designate the value of coins. Do the currently-mandated inscriptions make coin designs too "busy"? That is, do they tend to impede producing workable designs, and if so, would the Mint recommend any modifications to enhance future coin designs?

ANSWER: The Coinage laws do not require that the designations of coins be spelled out in words. The statutory provision, 32 U.S.C. 5112(d)(1), applicable to coin inscriptions require that all coins have "a designation of the value of the coin." It does not mandate spelled-out designations; in fact, no coinage law since the establishment of the United States Mint has specified the type of inscription to be used in the expression of the designations. Although the practice has generally been to show the designations in words, there are several examples in our coining history where Arabic or Roman numerals have been used. For example, the value of the gold half eagle coin of 1834-1838 was expressed with the inscription "5 D.". Further, our early nickels used the inscriptions "V" and "5" to show its value.

In my testimony, I recommended that consideration be given to using Arabic numerals for the new coin designs. I believe this would be a valuable aid to the many visitors to our country who may not be altogether familiar with our language and use of the words quarter, dime, and nickel. Of the major countries of the world, virtually all show the coin denominations in numeric form.

I do not believe that including the inscriptions currently mandated by law make the coins "too busy", nor do they impede producing workable designs. We have had some extremely beautiful coin designs containing these inscriptions and I believe they should remain on all newly designed coins.

Numismatic News Reader Opinion Survey Results*

During the month of February, Numismatic News asked coin collectors to respond to a three-question survey regarding changing the designs on all circulating U.S. coinage, cent through half dollar. They were given the opportunity to clip the survey form out of *Numismatic News* or from an advertisement in another weekly hobby newspaper called *Coin World* or by filling it out at two major national conventions, one in Long Beach, Calif., the other in Charlotte, N.C.

We received 4,309 responses and they were tabulated as follows:

1. Should U.S. coin design be changed?

YES: 3,659 or 85% NO: 650 or 15%

Broken down into the four constituent parts:

Numismatic News readers: YES: 1,979 or 93% NO: 138 or 7%

Coin World readers: YES: 271 or 92% NO: 23 or 8%

Long Beach show-goers: YES: 764 or 76% NO: 242 or 24%

Charlotte show-goers: YES: 645 or 72% NO: 247 or 28%

2. What designs would you like to see on U.S. coins? (Readers checked more than one box.)

Same presidents/new portraits: 576

Other presidents: 1,050

Miss Liberty: 1,721

Historical events: 2,127

Notable Americans: 976

Other: 853 (A blank was provided here for suggestions and survey participants listed everything from animals and birds to the space shuttle Challenger)

3. Would design changes encourage more people to collect coins?

YES: 3,620 or 90% NO: 375 or 10%

Broken down into the four constituent parts:

Numismatic News readers: YES: 1,881 or 93% NO: 143 or 7%

Coin World readers: YES: 272 or 95% NO: 14 or 5%

Long Beach show-goers: YES: 810 or 88% NO: 111 or 12%

Charlotte show-goers: YES: 657 or 86% NO: 107 or 14%

* This survey was not conducted scientifically and it reflects only the opinions of the participants.

Numismatic News
700 E. State St.
Iola, WI 54990

Seigniorage Profit After Design Changes

1986 Coin Production

Denomination	Total Coins	Face Value
50 cents	.028 billion	\$ 14 million
25 cents	1.06 billion	265 million
10 cents	1.15 billion	115 million
5 cents	.90 billion	45 million
1 cent	<u>8.90 billion</u>	<u>89 million</u>
	12.038 billion	\$528 million

Annually, the Mint turns over to the Treasury General Fund the coin production profit, which represents the cost of production subtracted from the total face value. In 1986 the profit over and above costs was \$392 million. This profit is called seigniorage.

Production Projection

We project the following mintages for a 12-month period after designs are changed:

Denomination	Total Coins	Face Value
50 cents	.1 billion	\$ 50 million
25 cents	1.6 billion	400 million
10 cents	1.6 billion	160 million
5 cents	1.6 billion	80 million
1 cent	<u>11.0 billion</u>	<u>110 million</u>
	15.9 billion	\$800 million

Of the \$800 million face value produced, \$608 million would be the profit over and above cost. Subtract from that the \$392 million profit of 1986 and you get the net gain to the Treasury due to design changes of \$216 million.

The fraction of face value that represents seigniorage profit fluctuates from year to year, but remains within a stable band. In 1986 the figure was 74 percent; in 1985 it was 76 percent; in 1977 it was 78 percent. A recent high was 85 percent for the year 1976 when the special Bicentennial coins were struck for circulation. We used 76 percent in our calculations.

Net Gain: \$216 Million

Mintage Increases and Decreases Following Coin Design Changes

The following chronicles the 13 design changes to the cent through half dollar in the past 100 years. The tables compare mintage levels during the five years preceding each design change to the five years after each change. The overall increase or decrease is indicated by the percentage figure given after each table.

A final net increase figure of 50.8% is arrived at by adding all of the "Before" mintage figures to all of the "After" figures.

Indian - Lincoln One Cent 1909

1904	61.3	1909	103.0
1905	80.7	1910	152.8
1906	96.0	1911	117.9
1907	108.1	1912	83.0
1908	32.3	1913	98.4
1909	15.8	1914	80.5

394.2 million 635.6 million

(61.2% increase)

Liberty - Buffalo Nickel 1913

1908	22.7	1913	73.7
1909	11.6	1914	28.1
1910	30.2	1915	30.1
1911	39.6	1916	88.7
1912	34.9	1917	65.5

139.0 million 286.1 million

(105.8% increase)

Buffalo - Jefferson Nickel 1938

1934	27.7	1938	29.0
1935	80.7	1939	130.7
1936	158.7	1940	259.7
1937	102.9	1941	300.1
1938	7.0	1942	154.5

377.0 million 874.0 million

(131.8% increase)

Seated Liberty - Barber Dime 1892

1887	15.8	1892	16.9
1888	7.2	1893	7.6
1889	8.4	1894	2.0
1890	11.3	1895	2.2
1891	23.0	1896	3.2

65.7 million 31.9 million

(51.4% decrease)

Barber - Mercury Dime 1916

1917	33.6	1916	33.0
1912	34.6	1917	91.9
1913	20.3	1918	68.7
1914	31.4	1919	54.5
1915	6.6	1920	92.0
1916	24.3	1921	2.3

150.8 million 342.4 million

(127.1% increase)

Mercury - Roosevelt Dime 1946

1941	263.8	1946	344.2
1942	315.4	1947	203.1
1943	324.0	1948	163.3
1944	343.1	1949	70.4
1945	241.2	1950	117.4

1,487.5 million 898.4 million

(39.6% decrease)

Seated Liberty - Barber Quarter 1892

1887	0	1892	11.8
1888	1.2	1893	10.3
1889	0	1894	8.9
1890	.1	1895	9.0
1891	6.2	1896	5.6

7.5 million 45.6 million

(508.0% increase)

Barber - Standing Liberty Quarter 1916

1911	5.6	1916	0.1
1912	5.1	1917	37.9
1913	2.0	1918	32.7
1914	9.5	1919	15.0
1915	7.9	1920	37.9
1916	8.3	1921	1.9

38.4 million 125.5 million

(226.8% increase)

Standing Liberty - Washington Quarter 1932

1927	13.3	1932	6.2
1928	10.5	1933	0.0
1929	14.3	1934	35.4
1930	7.2	1935	44.0
1931	0	1936	50.5

45.3 million 136.1 million

(200.4% increase)

Seated Liberty - Barber Half Dollar 1892

1887	0	1892	2.3
1888	0	1893	3.9
1889	0	1894	7.2
1890	0	1895	4.7
1891	.2	1896	3.0

.2 million 21.1 million

(10,450% increase)

Barber - Walking Liberty Half Dollar 1916

1911	3.4	1916	2.1
1912	5.3	1917	21.6
1913	1.3	1918	20.7
1914	1.1	1919	3.8
1915	2.9	1920	12.6

14.0 million 60.8 million

(334.3% increase)

Walking Liberty - Franklin Half Dollar 1948

1943	78.1	1948	7.0
1944	46.9	1949	13.4
1945	51.7	1950	15.8
1946	18.0	1951	40.1
1947	7.9	1952	52.2

202.6 million 128.5 million

(36.6% decrease)

Franklin - Kennedy Half Dollar 1964

1959	20.4	1964	433.5
1960	25.9	1965	65.9
1961	31.6	1966	109.0
1962	48.8	1967	295.0
1963	92.3	1968	247.0

219.0 million 1,150.4 million

(425.3% increase)

Before changes: Total 3,141.2 million pieces

After changes: Total 4,736.4 million pieces

Net increase in coin production: 50.8%

The following story was published in the Nov. 24, 1987, issue of *Numismatic News* under a headline: "Designs yield \$2.3 billion."

A new study shows that changes in U.S. coin designs will yield \$2.3 billion in additional revenue to the U.S. government over a period of six years, David C. Harper, author of the study and editor of *Numismatic News* announced Nov. 10.

The study was done in late September and a substantial portion of it was submitted to the Office of Management and Budget, Harper said. It was undertaken to evaluate the changed assumptions embodied by coin design legislation currently before the U.S. House of Representatives and the Senate.

"In our July 7 issue, Harper explained, this newspaper estimate a one-year profit of \$216 million based on the assumptions that all five coin denominations would be changed simultaneously. That assumption has been replaced. According to the terms of the bills in Congress, new coin designs will be phased in over six years, with only one denomination altered during the first year. That required an entirely new evaluation," Harper said.

Another factor that has changed since July is the quest by Congress for more revenue for the federal government. In the wake of the stock market crash, members of Congress and the administration have become much more serious about raising revenue and will carefully examine even esoteric sources, such as coinage.

Harper's figures are based on the assumptions that the first coin to have its design changed will be the quarter dollar. This has the advantage of generating a great deal of money very quickly. For the same reason, the half dollar would be the second to be changed, followed by the dime, nickel and cent.

By the terms of the legislation, the first coin treated to a new design would also get a special two-year Bicentennial of the Constitution reverse. This gives the government an additional large kick during the phase-in period at the time the second quarter reverse would be introduced.

"Collectors are not in a position to dictate the changeover procedure to the Treasury. It very clearly wants a more conservative approach and that is what will be taken. The fact that this generates much more revenue for them is only gravy. Collectors would rather see the changes come at once, but then we would rather debate the historical and aesthetic aspects, too, but what Washington wants is revenue," Harper said. "It is unfortunate they do not see it our way, but we can certainly live, and even thrive, on what we may get if the broad outlines as they are currently drawn become law."

Keystone to the revenue figure is a very large arbitrary hike in production of the quarter and the half dollar in 1988. Normal demand patterns would not justify so large an increase, Harper explained, but a design change should be treated as an extra special event.

The Treasury should strike four billion quarters in 1988, almost four times the normal level, and essentially invite the American public to save them as souvenirs, he said.

They should be distributed in advance of public release to all of the nation's 14,000 commercial banks. Savings and loan associations, mutual savings banks and other financial institutions should also be given large supplies in advance, Harper added.

All the while, the Mint should focus its public relations attention on the impending release. Saving these coins would be the patriotic thing to do, he declared.

"Donna Pope," Harper said, "has been quite adept in her many appearances before the television cameras and in her interviews with radio and the press. I am sure the experts at the Mint could map out a media plan that would ensure the success of the program."

"Naturally, the numismatic hobby press would be helping to lead the way," Harper pledged.

"If a new Washington portrait is placed on the quarter, the thrust of the campaign could be, 'Have you seen the new Washington quarter? The Father of Our Country has never looked better,'" Harper speculated.

"Release date could be tied to the Fourth of July holiday or to the October anniversary of the surrender of Cornwallis at Yorktown. Their options are virtually endless, limited only by the Mint's creativity," Harper stated.

High production numbers would also be justified on the same basis for the half dollar. 1988 is the 25th anniversary of President Kennedy's tragic death. As part of the national observance, the public would be reminded that the half dollar would be redesigned in 1989. A new portrait of the slain president would inaugurate the second quarter century of service.

The public would be encouraged to save specimens of the denomination that were so easily squirreled away as mementoes in 1964.

The result of the high production figures for quarters and half dollars in 1988 would be \$1.02 billion in additional seigniorage during the year. That is \$1.02 billion the government would not have to borrow and pay interest on in ensuing years," Harper pointed out.

And, interest is very important, Harper declared. "Over five years time, if the government had to borrow \$1.02 billion at the going 30-year Treasury bond rate of 9 percent, the interest that would not have to be paid compounds to \$569 million. That by itself in my mind is sufficient reason to go full speed ahead with this program," Harper said.

However, there is more seigniorage and interest.

In 1989, with the new half dollar design, seigniorage over and above what could normally be expected is \$356.4 million, on an extra 800 million half dollar coins struck that year. Quarter production in 1989 would recede to a normal level and the production of dimes, nickels and cents would continue at a normal pace.

•In 1990, the dime design would change, one billion extra coins would be struck and the additional seigniorage would be \$87.8 million.

•In 1991, the nickel would change and seigniorage on an additional one billion coins would be \$26.8 million.

In 1992, the cent would be the last coin to be changed and it would raise \$7.7 million in seigniorage on an extra two billion coins produced.

As for the transition from the Constitution quarter reverse to a regular design, the options are numerous and too sketchy to base any revenue projection on them. However, seigniorage would be considerably lower than the 1988 profit level to the government.

Total extra seigniorage on the 1989-1992 changeover is \$478.7 million.

Interest on the additional seigniorage at the same 9 percent rate would amount to \$178.2 million.

That brings the seigniorage to \$1.4987 billion over six years and interest to \$747.2 million for a grand total of \$2.2 billion by 1993.

To that figure you must add the additional profits that will be generated by additional proof, mint and other collector set sales during that time.

Harper estimates that design changes would spur sales of one million additional proof sets each year, one million mint sets and 300,000 of a special proof presentation set. Profits would total \$16.18 million each year, or over \$97 million in six years.

That brings the grand total to \$2.3 billion. "Not bad," Harper said.

Seigniorage Profit After Design Changes

1986 Coin Production

Denomination	Total Coins	Face Value
50 cents	.028 billion	\$ 14 million
25 cents	1.06 billion	265 million
10 cents	1.15 billion	115 million
5 cents	.90 billion	45 million
1 cent	<u>8.90 billion</u>	<u>89 million</u>
	12.038 billion	\$528 million

Annually, the Mint turns over to the Treasury General Fund the coin production profit, which represents the cost of production subtracted from the total face value. In 1986 the profit over and above costs was \$392 million. This profit is called seigniorage.

Production Projection

We project the following mintages for calendar year 1988:

Denomination	Total Coins	Face Value	Production Cost	Seigniorage
50 cents	.8 billion	\$400 million	43.600 million	356.400 million
25 cents	4.0 billion	1.0 billion	106.000 million	894.000 million
10 cents	1.15 billion	115 million	14.030 million	100.970 million
5 cents	.90 billion	45 million	20.430 million	24.570 million
1 cent	<u>8.90 billion</u>	<u>89 million</u>	<u>54.646 million</u>	<u>34.354 million</u>
	15.75 billion	\$1.649 billion	\$238.706 million	\$1.410294 billion

1988 seigniorage total of \$1.40 billion represents a net gain of \$1.02 billion from 1986.

Net 1988 Gain: \$1.02 billion

Senator CRANSTON. Thank you very much.

I yield to you.

Senator ARMSTRONG. Thank you, Mr. Chairman. I thank both of our panelists for very interesting testimony, and I am curious to know how many people read publications that are directly primarily to coin collectors.

Ms. DEISHER. Coin World has a paid circulation currently of 85,000. We know from our scientific and regular readership studies, our pass-along rate is 2.4. So, any given issue of Coin World, we can reasonably say, is read by about 250,000 people. Of course, there are five other major U.S. publications in the numismatic field.

Mr. HARPER. Our circulation is 39,000. And we also publish four other publications, Coins Magazine, which is a monthly, and that circulates to roughly 60,000 individuals. We have Coin Prices, which is published 6 times a year. That goes out to roughly 80,000 people.

We have Bank Note Reporter, a specialty paper for paper money collectors. That goes out to roughly 7,000 people. And we also have a publication called World Coin News, which is a weekly. And that goes out to foreign coin collectors. That goes to 6,000 people.

We have a mailing list for all of our customers in the neighborhood of 500,000 names.

Senator ARMSTRONG. Mr. Chairman, if I might take just a moment to share what we were discussing walking back from the floor, the thing that is so fascinating about what you've just said and, really, about the whole hearing this morning, is that there is an enormous popular interest in coins. And, obviously—I don't know exactly what the overlap is among these publications, but there are hundreds of thousands of people evidently who are not only interested enough to collect coins, but actually to subscribe to and avidly follow publications that deal with this subject.

I thank you very much, Mr. Chairman, and I thank you for the hearing this morning.

Senator CRANSTON. I thank you.

I understand that while I was gone, Ms. Deisher, I understand that you stated that you liked my amendment. That would lead to some further redesigns.

I appreciate that very much. I have already reviewed your testimony and it is very, very helpful.

Do either of you have any comments on anything said today that you would like to add to or contradict or anything?

Mr. HARPER. Mr. Chairman, I would like to concur in the endorsement of your opening statement and the content of your two amendments. I think it is in keeping with the tradition of American coinage, and I think it is an opportunity or will provide an opportunity for all Americans to become once again personally reacquainted with coinage.

I started coin-collecting in 1963 at the age of 8, and very soon after that, the Kennedy half dollar was introduced, following the tragic assassination of President Kennedy.

I stood in a long line at the local bank in the spring of 1964 to get the initial releases. The bank rationed the supply to two coins per customer. And that scene was repeated throughout the country. There were millions of Americans who waited in line to get

specimens of that coin, and that is just indicative of the power and the emotional appeal of a coinage if you care to tap it and use it effectively.

As I say, your statement and your amendments are just absolutely fitting very nicely with the American tradition of coinage.

Senator CRANSTON. Thank you very much. Beth, any last words?

Ms. DEISHER. I might add one comment. Senator Armstrong asked about the overlapping of circulation among publications. Our recent survey—October 1987—indicates that Coin World as a 15.2 percent subscription duplication with Numismatic News. We go to basically different audiences. The same is true of other numismatic publications. Our duplication rate with Bank Note Reporter is 1.6 percent, with Canadian Coin News, 2.7 percent; with Coinage, 19.3 percent; with Coin Prices, 12.8 percent; with Coins, 10.7 percent; with The Numismatist, 12.3 percent; and with World Coin News, 11 percent. This does give you an indication of the number of people who collect.

Senator CRANSTON. I thank all who have been involved very, very much for your testimony, for your interest.

Bill, I praise you for your initiative in bringing all of this about.

And, Diane, I thank you again on behalf of many people. In view of the lack of any complicated controversy over this measure, I think we have a quite good prospect that we can have a markup fairly soon and get it out to the Senate floor, pass it along.

And we will endeavor to do that as quickly as we can.

I thank you all, and we now stand adjourned.

[Whereupon, at 11:50 a.m., the Committee adjourned, to reconvene, subject to the call of the chair.]

[Response to written questions and additional material supplied for the record follows:]

RESPONSE TO WRITTEN QUESTIONS OF SENATOR CRANSTON FROM
DONNA POPE

QUESTION: For the Record, please provide the Committee with the analyses of past (coin) demand patterns and computations by which you arrived at the estimated \$224 million in additional seigniorage this legislation will generate.

ANSWER: The estimated \$224 million in projected additional seigniorage was derived by taking the Mint's normal projections of coin demand during the 1990 - 1995 period and determining the amount of additional coins which would be required as a result of changes in coin designs. The projections of normal coin demand were generated by a forecasting model which has proven to be effective in tracking demand over the past several years. The expected amounts of additional demand resulting from design changes were based on an analysis of sample surveys of the stock of coins in circulation. Seigniorage calculations were derived using cost data based on the Mint's FY 1989 budget submission and were limited to the 1990 - 1995 period specified for design changes in the legislation.

A summary of the estimated increases in demand and seigniorage, by year, for the 1990 - 1995 period, is presented in the Attachment 1. An explanation of the calculations used to arrive at these figures follows.

ESTIMATED DEMAND INCREASES

The Mint utilized survey data analyzed by Research Triangle Institute (RTI) for 1962, 1965, 1966, 1973 and 1977, and by the Mint itself in 1987. As indicated in my testimony, the data revealed separate effects of a two-year commemorative design and a long-term redesign of all coinage.

Commemorative Design

The Mint's 1987 survey revealed an abnormal removal of 1976 Bicentennial quarters, due to their semi-numismatic nature. The attrition rate data for quarters after one year of issue determined in the Mint survey and the 1962 sample data analyzed by RTI showed an increase of approximately 12% above normal requirements in the year the new coin was issued. Since the Mint tentatively plans to use the quarter for the proposed Bicentennial of the Constitution commemorative specified by the legislation, we applied the 12% factor to expected quarter production in 1990 and 1991 (2.8 billion) resulting in approximately 170 million additional quarters to be produced in each of the years.

Also, the Mint survey conducted 11 years after the issue of the Bicentennial quarter showed that only 38% of the expected number based on normal coin attrition remained in circulation.

To account for the continuing loss of quarters over the years following issuance, the Mint estimated an annual production of 140 million additional quarters in 1992, 1993, 1994, and 1995 as these coins are steadily pulled from circulation due to their numismatic character.

Long Term Design Change

The Research Triangle Institute studied attrition associated with the conversion from the "wheat" cent to the "memorial" cent in 1959. This was the most recent long-term, non-commemorative design change undertaken by the Mint. The data indicated that a 6% withdrawal of the new design coin occurred in the year of introduction. (The Mint considers the half dollar to be an exception to this rule. Due to the low number of coins produced each year, the Mint felt a 6% increase would not be realistic. The half dollar was projected to realize a 40% increase in its year of introduction.)

After this initial withdrawal, based on the RTI analysis, there will not be a significant increased in demand for the "changed" coin until about 8 years after the change. At that point, the old design coins will be pulled from circulation in increasing amounts. We expect this increased withdrawal to be significant, especially between the years 1998 and 2011.

The Mint applied the percentage factors to the projected demand for the denomination being changed, in the year it would be changed, and came up with the following additional amounts of coins required:

1991	Halves	14 million
1992	Quarters	85 million
1993	Nickels	75 million
1994	Dimes	113 million
1995	Pennies	828 million

ESTIMATED SEIGNIORAGE INCREASE

The estimated increases in demand resulting from design changes during the 1990 - 1995 period were used to generate estimates of the additional seigniorage to be realized. Seigniorage is defined as the difference between the face value of coins and their cost of manufacturing. Seigniorage is deposited to the Federal Reserve to the credit of the General Fund of the Treasury and classified as an off-budget miscellaneous receipt. Seigniorage reduces the amount of money which must be borrowed to finance the current budget deficit, but does not reduce the amount of that deficit.

COMPARISON TO OTHER ESTIMATES

The Mint has reviewed other estimates of increased production and seigniorage which would result from design changes, and does not believe they are consistent with the survey data used by the Mint.

One such estimate by David C. Harper of Numismatic News claims an increase of \$2.3 billion in revenue could result from new coin designs. The Mint has examined this estimate and finds little support for the production numbers on which it is based. For example, Mr. Harper proposes producing 4 billion quarters in the year of its redesign. This amount is almost 3 times the Mint's projected 1990 demand for quarters of 1.373 billion. Mr. Harper's half dollar estimates are even more extreme. He proposes producing 1.6 billion halves in the first two years of the design change program. This total is over 23 times the Mint's projected demand of 69 million during the 1990 - 1991 period. Although Mr. Harper credits the Mint's marketing ability as his basis for these numbers, the Mint is not in the business of "selling" coins for circulation. As stated many times, our primary function is to produce circulating coins to meet the needs of the nation's commercial activities.

Finally, at the April 22 hearing, Mr. Harper introduced an exhibit with his testimony which indicated that, on average, production in the five years following a design change increased 51% over the five years prior to it. The Mint believes such an analysis overlooks the other factors which were affecting demand for all coins during the periods specified. For example, the period following the introduction of the Kennedy half dollar in 1964 corresponded to the conversion from silver to cupronickel clad coinage. Although production of halves increased by over 425%, production of other previously issued silver coins

also went up dramatically in the same five years (dimes +374% and quarters +741%). Likewise when the Jefferson nickel was introduced in 1938, five year production went up by 138%. However, pennies were up by over 148%, dimes by 167%, and quarters by 123% in the same period, which corresponded to the nation pulling out of the Great Depression and gearing up economically for World War II. The point to be made is that changes in coin production associated with a design change should not be looked at in isolation. Changes in production of other coins also need to be considered as well as whether other factors may have impacted production.

ESTIMATE OF ADDITIONAL SEIGNIORAGE
RESULTING FROM CHANGES IN COIN DESIGN
1990 - 1995

YEAR & DENOMINATION	NORMAL PROJECTED DEMAND (MILLIONS)	INCREASE IN DEMAND (MILLIONS)	FACE VALUE OF ADDITIONAL COINS (\$000)	ADDITIONAL APPROPRIATED COSTS (\$000)	ADDITIONAL COINAGE METAL & TRANSPORTATION (\$000)	ADDITIONAL SEIGNIORAGE (\$000)
1990 QUARTER	1,373	170	\$42,500	\$796	\$5,701	\$36,003
1991 QUARTER HALF DOLLAR	1,402 35	170 14	\$42,500 \$7,000	\$821 \$163	\$5,887 \$969	\$35,792 \$5,868
1992 QUARTER	1,419	225 *	\$56,250	\$1,117	\$8,013	\$47,120
1993 NICKEL QUARTER	1,249	75 140	\$3,750 \$35,000	\$335 \$711	\$2,223 \$5,117	\$1,192 \$29,172
1994 DIME QUARTER	1,880	113 140	\$11,300 \$35,000	\$337 \$728	\$1,696 \$5,231	\$9,267 \$29,041
1995 CENT QUARTER	13,793	828 140	\$8,280 \$35,000	\$1,347 \$745	\$4,958 \$5,524	\$1,975 \$28,731
GRAND TOTAL		2,015	\$276,580	\$7,100	\$45,319	\$224,161

*Consists of 140 million quarters for Bicentennial of Constitution withdrawal and 85 million quarters resulting from new long-term design.

Daniel Carr
22123 Crestmoor Road
Golden, Colorado
80401

(303) 526-0819

The Honorable William L. Armstrong,
United States Senate.
Washington, D.C.
20510

Dear Senator Armstrong,

I read with great interest that you are sponsoring a bill that would authorize new designs for all circulating United States coins. I totally support the idea of new designs on our coins. As an artist and numismatist for the past seventeen years I have watched, with great interest, the debate over new coin designs. I fear, however, that we may end up with the same sort of designs that we have now. Over the past year, I have studied the opinions of many people on the subject of new coin designs. I have found that in virtually every case these opinions agree on the following points:

1. The obverse designs should be something totally new.
2. Of the designs that we have now, the eagle reverses of the quarter and half dollar are the best.
3. The designs should have a common theme that carries through all the denominations.
4. The designs should contain allegorical (non-commemorative) figures that portray the character, achievements, and aspirations of the United States.

As you may be aware, there is a bill pending before congress that will authorize a dollar coin and phase-out the paper dollar. I totally support this legislation.

A few months ago, I submitted a proposal to the Treasury Department that was very similar to this bill. Enclosed is a portion of that proposal, including a photo-copy of a sketch that I believe would make a good design for the new dollar (or any denomination).

This design has several merits, one of which is that it portrays one of our country's greatest achievements - the first manned moon landing. If widely circulated, this coin could increase public awareness and interest in the space program. Perhaps a theme of exploration (in the areas of science, space, industry, etc.) could be used in all the new designs.

In any case, I think the public is greatly in favor of completely new designs on our coins.

Sincerely,

Daniel Carr

P.S. Please feel free to photocopy the enclosed sketch and design notes.



DESIGN NOTES**General:**

The illustration depicts the proof version of the coin with frosted devices and mirror-like fields. Circulation strikes would have a satin finish over the entire coin. The astronaut's visor is a convex surface and on proof versions it may have either a frosted or mirror-like finish. (The illustration shows a mirror-like finish).

Although the illustration is of a ONE DOLLAR denomination, the design would work well on a smaller coin (such as a nickel) because of the large lettering size.

The two mottos "E PLURIBUS UNUM" and "IN GOD WE TRUST" have not been placed on the design for purely aesthetic reasons. If required, these mottos could easily be added on the reverse below the word "LIBERTY" and above the denomination "1 DOLLAR".

Obverse:

Main Feature:	Astronaut (standing, with 13 stars beyond).
Legend:	UNITED STATES OF AMERICA
Date:	1989
Left Circle:	Designer's Initials ("DC")
Right Circle:	Mint mark ("D")

Reverse:

Main Feature:	Eagle and Sun.
Motto:	LIBERTY
Left Circle:	Earth
Right Circle:	Moon
Denomination:	1 DOLLAR

IMPLEMENTATION NOTES

Despite the failure of recent attempts to establish a dollar coin in circulation, I believe that a dollar coin would be successful and cost effective if introduced to the public in the right way. The Eisenhower Dollars were too large (people preferred to carry paper dollars). The Susan B. Anthony dollars were too close in size to the quarter (as were the ill-fated twenty cent pieces of the late 1870's). The following are some ideas that could increase the public acceptance of a dollar coin in circulation:

1. Stop producing paper dollars. (A coin has a much longer circulation life).
2. Make the dollar coin slightly smaller than the half dollar. Also, mint it from a different colored alloy.
3. Let 1989 be the last year of production for the half dollar.
4. For 1988 and 1989, produce just enough Kennedy half dollars for proof and mint sets - none for general circulation. Also, in 1989 strike the Kennedy half dollar in 90% silver, just like it was in its first year - 1964.
5. Begin striking the dollar coin in 1989 (the twentieth anniversary of the first moon landing).
6. Produce some of the 1989 dollars in 90% silver for collectors.

To: Senators William L. Armstrong
and Alan Cranston

Re: S. 1776

April 18, 1988

My name is Gary Eriksen; I am a sculptor and medallist, co-founder and former president of the American Medallist Sculpture Association (one of the two principal organizations representing medallists). I am writing you not as a spokesman for any organization, but rather as an individual.

Like you, I too want the American coins to be well-designed; after all, they are the most frequently viewed works of art in the country. And if they are to be changed, would we not be wise to do everything possible to get a new "American classic"? I believe the way to do that is to have open competitions for the designs -- open to all, with equal opportunity for all.

Given the centrality of that goal of an open, equal-opportunity society to our way of government, I should think that any deviation from an open competition policy would have to be carefully and fully justified. However, there is no justification for severely limiting those artists invited-- permitted to submit designs. Indeed, quite the contrary. Invited competitions result in arbitrary and capricious selections, blatant abuse of governmental authority by an administration supposedly dedicated to prevention of such, and designs that often can be most charitably described as forgettable. Why? Because the invitee-selection process is a faulty, rusty, tiny door in the fortress Mint, based on long-outmoded premises.

1. To begin, there are no clear professional standards for determining who are qualified medallist artists. Though once an essential element in the skills of any professional sculptor, now very few are trained in the subject, and there is no professional society to which all medallists belong. As a result, the Mint can get away with inviting someone like Charles O. Perry, who openly admits to never having done a medal in his life, while omitting well-qualified others, on the basis of "recommendations."

2. The invitee system is very heavily biased toward members of the National Sculpture Society, primarily because before 1920 it was the preeminent sculptors' organization in the country. Now, almost seventy years later, that organization is much smaller in stature, standards, and membership. Probably more than two-thirds of all American sculptors throughout history are alive and working today, spread across the country. Before World War I, almost all of the handful of sculptors were in New York or Philadelphia, and members of that group. Not now, even in the limited field of medallists (see the enclosed Directory from the AMSA). Who among you and your co-sponsors wish to declare that no one in your state is qualified to design a coin? You do so, if you omit an open competition provision.

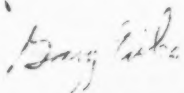
3. When urged in the recent past to stage open competitions, the Mint has repeatedly done a little song and dance which goes -- "Ohmigosh, a new coin, what a surprise, there's no time for an open competition"; and "that was tried with the 1976 Bicentennial coin and thousands of crudely done, bad designs were submitted." Well, if there are a lot of poor submissions, what's so difficult about winnowing out the few good ones?

4. Almost every design actually accepted undergoes further modification after being chosen, and sometimes the actual modelling is done by another's hand. It is at this, post-selection, stage that most professional skills come into use.

Thus, I urge you to amend the bill, requiring an open competition. That will keep the politics to the design selection alone, minimizing it as much as possible, and maximizing the chances of a new American classic being submitted.

Thank you.

Sincerely,



Gary Eriksen
P.O. Box 7222 G.C.S.
New York, N.Y. 10163

enclosures

COMMENTARY

Year of New Coins at hand

Next year may be the Year of the Horse for the Chinese, but in addition to good wishes for health, peace, prosperity and long life for our readers, we hope 1978 is the Year of New Coins.

We must have some new interest in our United States coinage system. Father Time has indeed caught up with it, especially when it comes to design changes. Of course, we are almost certain the New Year Babe will bring changes in the dollar and half dollar coins. Treasury Secretary W. Michael Blumenthal has said publicly he would rather fight than do away with the one-cent coin.

So that's a good place to start.

The obverse of the cent, with no re-

flection upon the integrity of Abraham Lincoln, is 69 years old. This could be changed without congressional approval by an imaginative but politically astute Treasury decision. The reverse, however, is another story since the current reverse design is only 19 years old. Congress would need to okay a cent reverse change.

The five-cent design is eligible for change without complications. It has been struck since 1938—or for 40 years. Only change in this period was the addition of the designer's initials in 1966.

It's been 32 years since the dime design was changed. The quarter design is 46 years years old.

The two coins which would need con-

gressional approval for design changes—the half dollar and the dollar—are the two coins Congress will study carefully anyway, beginning probably very early in 1978.

The half dollar may be headed for extinction unless we can convince the Treasury and Congress it should remain as a commemorative coin. But more on that shortly. The half dollar design dates from 1964.

The dollar design was created only seven years ago, so we assume if and when the Treasury asks for a new, smaller dollar it will seek permission to change the design in the same piece of legislation.

The widespread observance of Jan. 1 as the start of a new year stems from Roman times when Julius Caesar arbitrarily chose that date as the first day of the year when he initiated the Julian calendar. The coins of Caesar are still with us, delivering a message of history and civilization past. We can only hope our coins of the future will be more inspired, truer chronicles of our great nation as it nears the 21st century.

As much as we like Ike, respect and admire Abraham Lincoln and Thomas Jefferson, revere the father of our country beyond measure, honor Franklin D. Roosevelt and mourn after John F. Kennedy, these leaders have been sufficiently recorded on our coins for posterity. It is time for change—not for change's sake—but for the sake of history.

Editorial

The time has come for change

The Marietta-Smyrna Coin Club of Marietta, Ga., offered good food for thought in its recent Newsletter when the editor asked if U.S. coin designs should be changed.

One hundred years from now, it was reasoned, what will numismatists think of our great country when they look at today's coinage?

In a world filled with tumult, there is, of course, something to be said for

continuity, the editorial continued. For many Americans, the sameness of U.S. coinage probably provides reassurance, rather like a frayed but familiar pair of slippers.

Critics argue strenuously, however, the Georgia club spokesman said, that coinage should be more than simply functional and familiar. Coins are regarded as mirrors of a nation's culture, and coin designs, ideally, are seen as pocket-size works of art that reflect the

aesthetic attainments and aspirations of its people, the Marietta-Smyrna editor concluded.

We compliment the writer on fair-mindedness, giving both sides of the coin, or rather, the coin design. But we tend to side with the theory of the aesthete. We believe there is room for, and time for, changes in our coin designs. So the answer, in our estimation, is, yes, U.S. coin designs should be changed!

Have we lost our voices?

We never look at a beautiful Peace dollar without thinking of the all-important role played by the American Numismatic Association in bringing this coin into existence. And it is well documented how leaders of the American Numismatic Society were largely responsible for the adoption of the Saint-Gaudens double eagle and eagle designs as well as the Bela L. Pratt half eagle and quarter eagle.

Editorial

It formed a committee to urge President Roosevelt to consider a more artistic coinage, prepared resolutions, drew up plans for a contest among sculptors to design new coins, greeted the new Lincoln head cent in 1909 with pride, and considered it a major victory when the government recognized the wisdom of redesigning fractional currency, including the new Indian head nickel with the Buffalo reverse, the Mercury dime, the new quarter with a Standing Liberty, a new half dollar, with a Standing Liberty, too. The fractional coinage had been completely redesigned in answer to the pressure of public opinion led by the numismatists and the sculptors in the country.

The movement was not just limited to the ANS earlier this century, or the ANA somewhat later, in the 20s; numismatic groups across the country joined in the support, organizations like the Chicago Numismatic Society as an example.

We need these voices anew if we are to have a change in coinage designs: Our minor coins and the 25-cent piece are long overdue for design changes.

At least one organization is actively

seeking more artistic coinage, and we congratulate its members. The American Medallist Sculpture Association wrote a letter to Frank Annunzio, D-Ill., chairman of the House Banking Coinage Subcommittee. In it, the AMSA urged competitions open to all sculptors to submit designs for future issues.

Annunzio, a proponent of competitions himself (he mandated solicitation of designs from Vietnam veterans and interested sculptors for his national medal in honor of the Vietnam veterans) agrees that America is a nation "full of vigorous and talented artists."

In a reply to AMSA, he said "we should take advantage of that pool of inspiration and encourage the submission of designs when a new coin or medal is to be struck. It is likely that any future legislation which I introduce calling for the minting of new coins or medals will require that design competitions be held."

Chief Engraver of the United States Elizabeth Jones agrees, too, that there should be more variety. She is quoted as saying it is time for a change, although she concedes some people say U.S. coins have a stable look to them. Others say they are boring, she added.

She thinks something could be done with the dime, the cent, the nickel and the quarter and has said so publicly in newspaper interviews and television appearances.

With such important backing, we would like to see organized numismatic groups fight for a more artistically conceived coinage, beginning now, and not relent until the changes come about. That's what they did earlier this century without the benefit of our modern-day communication. Let's go for a change!

New designs — the time is now

New designs on United States circulating coins is certainly not a new idea. But it's an idea whose time has come.

Editorial

Not surprisingly, the leadership of the largest collector organization in the United States, the American Numismatic Association, has put the association on record as calling upon the Secretary of the Treasury and members of Congress to bring about new coinage designs for the five circulating denominations from the cent through the half dollar.

The resolution calling for design changes expresses the view that "design inertia has caused many collectors of U.S. coins to lose interest in current issues." True. This is certainly a valid point the collecting community should be concerned about, even if it does appear to be self-serving. We think coin collecting is the greatest of hobbies.

However, there are several important factors which the ANA's resolution leaves unaddressed.

New designs focus the PUBLIC's attention on coins. What better evidence is there than the rebirth of interest in commemorative coins sparked by the issuance of the George Washington half dollar in 1982, the three coins commemorating the Los Angeles Olympic Games in 1983-84, and the three Statue of Liberty commemoratives issued in 1986.

If one needs further evidence of capturing the public's attention, examine the issuance of the new gold and silver bullion coins, the American Eagles. Admittedly, for the obverse of these bullion coins, classic American designs were revived, but each has a new reverse design.

New designs for our circulating coinage would bring about a greater awareness of the coins we use every day. And no doubt new designs could bring about a great pride in our nation.

The designs we have are great works of art and they are an important part of our national heritage. But by default they have been relegated to the status of "just there." Outside of coin collectors, how many in the general populace can accurately relate the hows and whys which motivated the selection of these designs?

As an experiment recently, we interjected coin designs into the conversation of a non-collector group of four friends. Not one had the foggiest notion of how the designs came to be. Two (under 30 years of age) guessed that "they've always been there." Another ventured a guess that "only presidents could be on coins," and the fourth admitted: "I never really thought about it before. How did they get there?"

The comment about presidents was particularly revealing. Is this the message that we are communicating to our

citizens and the world at large? That the only contributors or important people in our nation are presidents and that only men can be on our coins? (Susan B. Anthony, collectors haven't forgotten you, but generations of Americans aren't even aware you're sitting in Uncle Sam's vaults.)

This general lack of knowledge about our circulating coins is reason enough to seek change. What a great educational tool. Each of these great presidents is a giant among great Americans. But they do not represent the entirety of the genius and energy of this great nation.

It's time to recognize other Americans and the full range of American achievements. It's also time that American artists be allowed to contribute by submitting designs for the Secretary of the Treasury's selection.

America's vitality is begging for a forum of expression. We can't think of a more perfect time to begin than 1987 as the nation begins the celebration of the bicentennial of the drafting of the U.S. Constitution. The two coins honoring the Constitution to be issued later this year will touch only a small portion of the American public. Why not begin now a program of redesign of the circulating coins which could begin implementation two years hence to coincide with the bicentennial of the ratification of the Constitution?

Dedication abounds in hobby

The vast majority within the numismatic community apparently support the idea of new designs for our nation's circulating coinage. This we feel confident in saying, based upon the volume of mail we have been receiving and the conversations and inquiries we have received since mid-May, when *Coin World* launched the "We the People" petition drive.

Editorial

As with any campaign, Americans tend to take for granted that "somebody else" will actually get involved

and do the nitty-gritty work, such as circulating petitions, advocating the need for change and gathering signatures.

There were literally hundreds of times as we attended shows and numismatic events throughout the nation during the last three months that individuals would greet us with statements such as: "We like the idea." or "It's time we have a change." But offered the opportunity to sign a petition or take extras with them, the usual response was: "I don't sign petitions" or "I don't want people in my neighborhood to know I collect coins. It's too

risky. I might get robbed." Not surprisingly, some responded that they were "too busy."

So it is with special pride that we salute those who did take the time to participate in the petition drive; those who dared to make a difference.

The outstanding work of individuals such as Richard Craig, Larry Gentile Sr., Randy Kerber, Edward Seaman and Arthur Liss plus the collective work of members of the Garden State Coin Club evidence the energy, enthusiasm and dedication that abounds in the hobby.

—H.R. 3314 facing first hurdle—

The introduction of H.R. 3314 and the anticipated introduction of a companion bill in the U.S. Senate elevates the issue of redesign of U.S. circulating coinage to a new level on the public agenda.

Editorial

Commissioner Diane Wolf of the U.S. Commission of Fine Arts, who crisscrossed the country earlier this year articulating the needs and advantages of redesign, appears to have successfully channeled her energy and enthusiasm into a lobby effort on Capitol Hill. The immediate result is sponsorship in the House and definite interest in sponsorship in the Senate.

Apparently the big selling point on the Hill is the revenue-raising aspect. Commissioner Wolf is now estimating that through seigniorage and numismatic sales, a change in designs could generate up to \$1 billion. That's a hefty carrot to dangle in front of a revenue-hungry Congress.

The legislative proposal is fashioned to ensure a win-win situation.

Treasury officials who have been "seriously studying the issue" for

months now have quietly let—it be known that the department probably would not oppose new designs for circulating coins. It is evident that Treasury's bureaucracy is not about to stick its collective neck out on this one. Treasury prefers that "Congress take the lead."

The bill is drawn so as to express the desire of Congress but is careful to leave the final decision of design selection to the Secretary of the Treasury. Thus it can be termed a "win-win" with all turfdoms intact.

H.R. 3314, as proposed, sidesteps the most controversial area by calling for new portraits of the U.S. presidents who now grace our coins rather than opening the designs to honoring other presidents or great Americans, American achievements, and significant historical events.

In all honesty, we'd prefer to see no limitation as to subject matter on obverse designs. But apparently this compromise is one of the keys to getting any legislation into the hopper.

Many have expressed ideas as to appropriate new subjects for the obverse designs, but no one on either side of the aisle in Congress has the courage to

suggest removing Washington, Jefferson, Lincoln, Roosevelt and Kennedy from our nation's circulating coins.

The bill does propose new reverse designs and seeks to eliminate the requirement that eagles be portrayed on the reverses of the dollar, half dollar and quarter dollar coins. It also specifies that a special design commemorating the Bicentennial of the Constitution appear on the reverse of one denomination (the Secretary of the Treasury's choice) for a period of two years.

The proposal is realistic in that it provides for a phase-in of the designs over a six-year period.

Generally, the introduction of H.R. 3314 is a giant step toward redesign of U.S. circulating coinage. Realistically, it is but the first step on the congressional path. The first major hurdle — perhaps the biggest challenge — will be gaining approval of the House Subcommittee on Consumer Affairs and Coinage.

If you support H.R. 3314, it's time to let Chairman Frank Annunzio and the subcommittee know. Letters should be addressed to Annunzio at the Subcommittee's office: Annex 1, 300 New Jersey Ave. S.E., Washington, D.C. 20515.

Whirlwind is breath of fresh air

It is an understatement to say that numismatic legislation is "moving on the Hill."

The programs, ideas and changes sought in the various proposals now getting the active attention of lawmakers in Washington are significant and could greatly change the face of coin collecting for many years to come.

Editorial

Embodied in these legislative initiatives are proposals for a commemorative series honoring American participants in 1988 Olympic Games, a commemorative series honoring the Bicentennial of the U.S. Congress in 1989, new designs for U.S. circulating coins, a new dollar coin with gradual phase-out of the \$1 Federal Reserve note, and Mint status for the San Francisco Assay Office and the West Point Bullion Depository.

The least likely to gain passage at the

moment, it appears, are the provisions for Mint status for SFAO and West Point. These two little nuggets are tucked in the sweeping and controversial authorization for funding for the U.S. Mint, recently approved by the House of Representatives. Some Washington observers think the Senate may do a repeat and let the measure die a quiet death as it did with a similar bill last year, which also contained a provision calling for Mint status for SFAO. Most, including Treasury officials, think Mint status for SFAO is appropriate. But the idea seems to surface only in authorization legislation, which is technically not needed to keep the Mint in business.

The sure bets at the moment appear to be the bills which provide for the Olympic commemoratives in 1988 and U.S. Congress commemoratives in 1989. They are moving through the legislative process in record time and the

path looks smooth all the way to the Oval Office.

Cosponsors are eagerly signing on the bills in the House and Senate calling for new designs for U.S. circulating coins. And momentum appears to be building behind the effort to at last provide the United States with a circulating dollar coin.

Think about the practical potential these legislative proposals hold. Six or seven years from now the coins in your pocket could be of different designs. Coin-use patterns would likely be quite different. Reflect, too, on the modern commemorative series and the number of new collectors who may have been attracted to the hobby through them.

The whirlwind of activity in Washington offers more than just a breath of fresh air for the numismatic community. It portends constructive approaches to some long-neglected facets of life in America.

Editorial/Opinion

Coin redesign hearing significant step

The U.S. Senate Banking, Housing and Urban Affairs Committee's April 22 hearing on legislative proposals to redesign the nation's circulating coinage is a significant step in placing the idea on the nation's agenda.

Editorial

Design changes for circulating coinage had been a topic of discussion and wishful thinking within numismatic circles for years. Chances are it would still be in the wishful thinking category had not an energetic, determined and politically savvy member of the Commission of Fine Arts taken up the idea as a personal crusade.

Convinced that redesign was an idea whose time had come, Diane Wolf garnered the support of the full commission in her proposal. Armed with the Commission of Fine Arts' unanimous recommendation last April, she sensed that the idea would have broad appeal not only in the numismatic community but with the public in general.

Appearances on nationally syndicated television and ra-

dio programs plus numerous interviews with local media as she traveled the country confirmed her belief that there is widespread support when the public understands that redesign is realistic and accomplishable without being costly.

Senior Treasury officials, once cool to the idea of design changes for circulating coins, appear to be warming a bit. The Secretary of the Treasury has the power to order change once a design has been used for 25 years. Given the fact that four of the five circulating coins (the Lincoln cent, Jefferson 5 cents, Roosevelt dime and Washington quarter dollar) are immediately eligible and the Kennedy half dollar will qualify in 1989, some Washington observers had speculated that Secretary James A. Baker III might use the opportunity to extend the Reagan legacy into the 21st century through ordering new designs for the eligible circulating coins. When it became evident that Treasury was reluctant to "get out in front" with this issue, Wolf determined that the legislative route would be the most expedient.

Wolf's lobbying achievements are truly amazing. In less than one year, legislation calling for design changes has

been introduced in the House of Representatives and now has 25 co-sponsors and similar legislation is before the Senate committee with 38 co-sponsors.

The Senate hearing represents a new plateau. It is here that leaders such as Sen. William Proxmire, D-Wis., will seek expert testimony in examining and exploring the idea of changing the designs for circulating coins. We anticipate that the hearing will serve as a forum for demonstrating that the redesign idea has both merit and substantial support. But more importantly, it should serve as a forum for exploration of the technical and realistic considerations needed to fashion a structured plan for developing new designs and issuing them.

Members of the numismatic community are keenly aware that coins are much more than a mere medium of exchange. Even though circulating coins fulfill their utilitarian purposes, ultimately their designs reflect a nation's ideals and values and embody its spirit in a tangible way.

The responsibility of fashioning appropriate and effective legislation and mapping the course for coinage redesign is great. Whatever the decision, it will tell us much about America.

Seeks new designs

I would like to share my thoughts on changing our coinage. First of all, I am all in favor of entirely new designs. I don't think that there would be any hoarding of our existing circulating coins, although people like myself who don't like to collect the silver Roosevelt dimes and Washington quarters because they look like pocket change, would start collecting them.

These are my thoughts for the new obverse

designs: for the cent and "nickel" I would like to see a bust of Miss Liberty; for the dime, an Indian (so far, we've had an Indian cent and "nickel," but no dime); and for the quarter I would like to see Miss Liberty in full length. Also, to satisfy the people who like to see presidents on our coinage, how about honoring the landmark Mount Rushmore on the half dollar?

Kris Nordenstrom
Plymouth, Minn.

Must overcome inertia to redesign coins

It is somewhat unfortunate that Anthony Swiatek's excellent article on coinage redesign was carried back on Page 97 of the May 6 issue of *Coin World*.

For some time the issue has been heating up and you have had some prior articles on the desperate need to redesign our obsolete and generally ugly coins.

Never mind that the Constitution we honor this year says that all legal tender shall be silver or gold.

Coin World on July 1, 1981, carried an article "Time for new United States coinage system" and the balance of the article was that "Design part of coin's perceived value."

How true.

President Teddy Roosevelt ushered in a period of increasingly beautiful and proud coins, and apparently the Mint bureaucrats fought every new design.

With the Washington quarter and the Lincoln 'penny' we established a precedent for former Americans, and then further debased the intent of our founders with Franklin Roosevelt and the most controversial Susan B. Anthony.

During her lifetime, my mother would not accept a Roosevelt dime in change, and I still recall him as the creator of our present fiscal mess, and in John Toland's book *Infamy*, a president aware of the impending Japanese attack who took no action.

Such reasons alone should persuade us to return to allegorical figures like the superb Miss Liberty the Mint offered before the Senate had 'miss ugly' placed on the dollar.

If we can overcome the inertia of the bureaucrats and the political stupidity of the politicians, we might yet create coinage that we can use with pride even in debased metal.

James D. Tilford Jr.
Mobile, Ala.

Idealized Liberty

With regard to changing the design of our coins, I recommend that we return to an idealized design for Liberty such as was used during the 19th century. Thus, politics does not get into the selection of whom will appear on the coins. Wildlife or similar objects would serve well, also.

G.R. Brown
Horseshoe Bay, Texas

'We the People' design campaign inspirational

Congratulations on your inspiration "We the people" cover story in your May 20 issue. There's no doubt we're due for new coin designs, and we won't get them unless there is a groundswell of support for the changes.

I believe the current designs on the alloy coins are much inferior to the beautiful designs on the U.S. gold and silver coinage. As a psychoanalyst, I can appreciate the importance of symbols. The designs on the gold and silver coins symbolize liberty and dignity, and especially the sovereignty of the people.

Modern coins, however, with their presidential profiles, institutional buildings and heraldic eagles, tend to exalt the authority of the state. To my way of thinking, the designs on our modern alloy coins do not promote democracy, and are indifferent to the aspirations and sovereignty of the people.

For the new coins that will be with us for many decades to come, let's encourage our designers and artists to create new and exciting symbols of freedom, liberty and brotherhood. Such symbols may be more important than we realize in protecting our democratic ideals.

Peter Michelson
Naples, Fla.

Liberty is best choice

Over the past several years the United States Mint has offered many new numismatic items. We have witnessed the resumption of commemorative coinage and the start of a gold and silver bullion coin program. The Mint and all responsible parties are to be commended for these changes.

I feel that our circulating coins should not be exempt from changes. The designs have

served well, but they have become a bit stale. A program should be initiated to redesign them. The Mint should be given a few years to enact the changes so that the transition will go smoothly.

Each new design should feature a likeness of Miss Liberty. In this way no ethnic or racial group can claim any discrimination or feel that they have been slighted. Surely, the depiction of Liberty will not offend anyone.

I am not suggesting that we neglect to remember our great historical figures. They should be remembered on commemorative coins. In this way important men and women of various ethnic and racial backgrounds can be honored while none are relegated to less used or lower denomination issues. This plan would make our coins more attractive and not offend any American citizens.

Joseph F. Roehmholdt
Address withheld by request

Change the change

The following is an open letter to Mint Director Donna Pope:

I wrote you a letter about four years ago concerning design changes of our coins. I got back a blurred, mimeographed form letter. I felt hurt but not beaten. Lately it pleases me to see all of the interest in design changes for our coinage and I am going to put my 2-cent piece into the discussion again.

I would like to see the "penny" eliminated. Who uses the "penny" anyway? What good is it? It's not even copper anymore! You could only have the reverse redesigned, then we could still enjoy looking at Lincoln's checkbones.

The "nickel," dime and quarter should obviously be changed. These boring coins have been around too long. (Perhaps you could use the same design on all three of these pieces much like the Seated [Liberty] or Barber design was used.) Could you imagine the contests? You will be very popular. (You could have a woman's face on coins again.) I would like that.

The half dollar should be eliminated. It is never used. Not since 1948 has anyone had an idea of what to do with a 50-cent coin.

The silver dollar should be reminted. America has always needed a silver dollar. The size should be between the quarter and the half dollar, and the thickness of the coin should be 1.5 to 2 times what the Susan B. Anthony dollar is now. This way if you closed your eyes and had the coin in your hand, you would not mistake it for a quarter. Doesn't that make sense? A bold, bald eagle should perch on the reverse.

The \$1 bill should be eliminated, recalled and shredded. The magnificent \$2 bill should be forced on the public and we would all use

the \$1 coin because we would have to. Naturally, it would also force us to use mathematics, which in itself is only one small step in a large effort to overtake the Japanese.

Since our paper money is being redesigned with new metallic threads, etc., let's make a change in our change, also.

Bret Lelifer
Merrimack, N.H.

Letters to the editor

Reader offers coinage redesign suggestions

I am writing concerning Anthony Swiatek's article, "Coinage redesign sometimes causes problems," in the May 6 issue of *Coin World*. I agree with Mr. Swiatek that it is time for a change in the designs of our circulating coinage. I am very excited to see all of the enthusiasm about new designs that has been in the numismatic press lately. However, I do not agree with his idea of using old designs on some of the new coins.

There is no doubt that the designs Mr. Swiatek suggests are some of the best in the history of United States coinage. The "Mercury" dime and the Buffalo "nickel" are among my favorites, but I would rather see new designs on our future coins. In his article, Mr. Swiatek points out that the "current designs with the exception of the Kennedy half are from eras when travel by plane or in the case of the cent, travel by car, was a novelty. They hardly seem reflective of our hopes and aspirations..."

How would using the Liberty Cap design of the 18th century, when cars were nearly 100 years from existence, solve this problem? Or how would using the design of the Buffalo "nickel," which began being minted 25 years before the current Jefferson "nickel," help this situation? Wouldn't that cause future generations to look upon us as people moving backward instead of "people on the move"?

For the new coins, we could honor people who have sacrificed to make this country what it is, people who have not been given the recognition they deserve. Why not honor Martin Luther King Jr., who had the courage to stand up against the majority and denounce racism? Or [Nathan Hale], who regretted that he had just one life to give for his country? We could honor the inventors of our nation,

such as Thomas Edison or the Wright brothers. We could also use designs showing places and things of our country, such as famous buildings or American wildlife. Ideas are plentiful.

Mr. Swiatek's article also calls for the reuse of old designs to avoid the problems that could be caused at the Mint, citing the situation of the early 20th century as one to avoid. If old designs are used and conflict is avoided, what happens 25 or 30 years later when design changes are again considered? Should other old designs be used then to again avoid problems? I am not implying that Mr. Swiatek is asking for different old designs to take their turn on our circulating coinage each 25 or 30 years, but if changing designs produces turmoil at the Mint, as Mr. Swiatek suggests, then turmoil is inevitable, so why not face it now?

To lessen some of the possible conflict, change only one coin at a time each year or two in any order until all designs have been changed. For example, the Mint could begin with the oldest, the Lincoln cent, in 1988, then change the next oldest, the Washington quarter, in 1989, and so on.

I am looking forward to seeing new designs on our coins in the near future. Everyone in the numismatic community who supports new designs should write Mint Director Donna Pope and let her know that we are behind changes in the designs of our circulating coinage.

Phil Umstead
Huntsville, Ala.

Offers coinage recipe

Following are some idle-time thoughts of a numismatist who is bored with 78 years of Lincoln cents, 49 years of Jefferson "nickels," 41 years of Roosevelt dimes and 55 years of Washington quarters. Not to mention over 50 years of unchanged paper currency in all denominations (excepting the 1976 Bicentennial \$2 bill).

Let's kick this awful procrastination and open up coin and currency collecting to the average American. I think if we increase varieties we increase overall numismatic awareness. So let's make numismatics exciting and educational!

Below I have outline a recipe for future numismatic change. I hope some of these stuffy/conservative Mint and elected officials read these suggestions, kill a few sacred cows and move our hobby into a new era. As a start, let's assign artistic categories for the obverse and reverse of coins and currency. Second, we will assign a category to each denomination of coin and currency. (For currency, only the most circulated denominations.) Third, outline a few new rules for artistic changes to our money, and last but not least, suggest how the work of our fine American artists should be judged and rewarded when their work is chosen.

Numismatic categories: native Americans, nature (live and still), presidents, national heroes, political figures, historical events, scientific achievements, special events.

Denominations and category assignments (coin denominations): 1 cent, presidents; 5 cents, native Americans; dime, national heroes; quarter dollar, nature; half dollar, special events; \$1, nature.

Denominations and category assignments (currency denominations, face and back): \$1, presidents/historical events; \$2, political figures/historical events; \$5, national heroes/scientific achievements; \$10, native Americans/nature; \$20, presidents/historical events; \$50, national heroes/special events.

Coinage: All coinage to be changed every three years. All artistic change considerations would be open to competitive design (U.S. citizens only), including employees of the U.S. Mint, and awarded after judgment by a special numismatic selection panel. This panel would be made up of members of the artistic, historical, scientific, natural history and numismatic communities with a member from the U.S. Mint to ensure designs are compatible with the manufacturing processes. The panel will be chosen by the American Numismatic Association Board of Governors with each panel member serving a five-year term (staggered).

Panel members will receive no pay other than expenses. An award of \$50,000 will be given to the artistic winner. The award funds and expenses will be supported by profits realized from the sale of Mint, Proof coins, etc., and should be considered as part of the minting and printing costs. The Secretary of the Treasury will have final approval of all designs.

Currency: Currency redesign will follow the same guidelines and will be governed by the same panel with the following exceptions: Currency would be redesigned every five years; colors, in addition to traditional black, green, gray and white, would be utilized in currency design and be included as part of the artistic design.

Definitions: A redesign will be considered a complete change or both sides of a coin or one side of a note. Obverse and reverse of a coin would have supportive themes.

If a country's character is judged by its circulating numismatic items, I am sure we would not get very high marks. Changes are needed right now. Sure, I know the above suggestions would be controversial in just about all quarters and difficult to implement, but we must start somewhere. So how about a new design for 1989? (Not a bad slogan.)

Bob Stamper
Riverview, Fla.

Thanks for petition

Thanks for getting this petition organized. Your leadership will make the difference in getting all new coin designs. I wrote letters during the 1960s and 1970s for coin changes. We now have a chance, a good chance, for all new designs! This petition project will make the difference.

I'm enclosing 10 signatures. I'm sure you will have this same petition form with another issue, and I will then get 10 more signatures.

Thanks for your leadership in this important task.

Rick Wilcox
Houston

Wants redesigns

I would like to add my words in support of the complete redesign of all our circulating coins. I have written to my congressman, Senator, Secretary Baker, congressman Annunzio and commissioner Diane Wolf. Except for Ms. Wolf, their responses are discouraging (nothing in Baker's case).

Commissioner Wolf wrote me that on April 16, 1987, the Commission of Fine Arts unanimously approved her resolution to recommend to Congress and the Treasury Department that they consider changing the designs. She also said that she had incorporated some of my suggestions in her resolutions — some input from a private citizen got somewhere, in other words.

However, according to Rep. Annunzio, the Treasury Department is opposed to any

changes because "they would disrupt the coinage supply in the United States"; also because there is no general public opinion in favor of changes. I have a hunch that Treasury's opposition is really due to little more than bureaucratic inertia and rationalization.

I once wrote the then Director of the Mint some simple suggestions on how to modify the Anthony dollar's design so that it would no longer be easily confused with the quarter. She answered with all sorts of reasons why no modifications would be made, none of which made much sense to me. As we all know, the coin proved itself to be a disaster. Bureaucratic inertia, I think. But why? I hope someone has some good ideas on how to break inertia.

My general ideas for new designs are:

1. Strong, bold, unanimously recognized symbols of our national identity; no likenesses of real people — especially the likenesses of recently active politicians or other partisan individuals. The new precedent for putting recently dead presidents on our coins should be blocked now and for good.

2. No words in addition to those that already clutter our coins. Ideally, in my view, no words except name of country, denomination and date (actual examples are the last series of large cents and the Indian Head cent).

3. No copying of old designs. Not everyone thinks that the Walking Liberty half dollar and the Saint-Gaudens double eagle are good or beautiful designs, let alone "our most beautiful" coins. I, for one, think they are too cluttered with extraneous details. Keep our new coins simple and bold in design.

4. Make the new 5-cent piece of copper, with a reeded edge to differentiate it from the cent and the "nickel." This change would eliminate the anomaly of the copper-nickel 5-cent piece being larger than the clad 10-cent piece. When the dime was made of silver, there was some sense in the fact that it was smaller than the "nickel," but this is no longer the case.

John Gullick
Chapel Hill, N.C.

A broader context

The current campaign to promote changes in the designs of U.S. coinage is both welcome and meritorious, but ought to be considered in a much broader context. Not only do the designs need a change but so does the denominational structure, as has been shown by numerous studies in recent years. Thus we should be seeking a coordinated change of both the designs and the denominations of our coinage. Let me suggest an outline that seems to be both logical and appropriate, about which I invite all manner of comment and criticism. I will proceed by denomination.

The 1-cent coin is simply obsolete and serves no useful function. It should thus be eliminated and forgotten. Remember that the cent of 1950 had a buying power greater than the present 5-cent coin, but nobody felt the need to issue a one-fifth cent coin (except for sales tax in two or three states). Sales tax can be rounded to the nearest multiple of 5 cents to satisfy all but the most intransigent of critics. Moreover, the cent is no longer used in vending machines, and all too often is discarded after being used once or twice.

The 5-cent "nickel" ought to be replaced by a clad "half dime," but at one half the weight of the dime. The coin will be very small, but people should easily become accustomed to its minuscule size (ie, the Dutch 10-cent coin or the Swiss 5 rappen). There will be a significant cost of adapting vending machines to the smaller coin, and this cost should be borne by the taxpayers (ie, by the "government"). A simple design would be in order. Remember that even if inflation can be held to the range of 3 to 4 percent, a highly optimistic estimate, the value of the dollar will decline by 50 percent in 20 years, more or less, at which time the 5 cents might be phased out.

The 10-cent and 25-cent coins are OK as they are, except that a change in design, particularly for the dime, seems in order.

The half dollar coin serves no significant purpose, save in a few areas of the country. The present size and appearance is acceptable, though mintage should be low, as the coin is used only in a relatively small portion of the country. A new design seems appropriate now or in 1989, the year in which the design celebrates its 25th birthday.

A \$1 coin is essential. I would recommend a gold-colored coin or a bimetallic coin such as the new Italian 500-lire circulating coin. My preference is for a smallish coin, about 20-21 millimeters in diameter, and rather thin than thick, though it would seem most appropriate that the vending industry, the primary beneficiary or a dollar coin, should have the ultimate say in the precise specifications. The Anthony dollar was far too big and heavy. Of course, the \$1 note should be phased out as quickly as supplies of the new dollar coin would allow. Moreover, the costs of converting vending machines should be borne by the public.

The \$2 bill should be abandoned (as it is in practice). A \$2 coin seems to me altogether unnecessary.

Finally, the \$5 note should be replaced by a \$5 coin, of the same material as the \$1 coin and approximately twice the weight. Exact determination of diameter and thickness should be left largely to the vending industry, to prevent losses from the use of similarly sized foreign coins of lower face value. The bimetallic format seems particularly appropriate for coins of large value. Arguments in favor of using silver for the \$5 coin have both merit and appeal, but a .900 fine silver coin of approximately 7 to 8 grams would be feasible only so long as the silver price were to remain

below about \$20 per ounce for the next 20-plus years, a level that seems impossible to guarantee.

For those reasons, a gold-colored or bimetallic coin would be more utilizable over the long haul. The introduction of a \$5 coin could be delayed for one or two years after the smaller denominations are altered, though specifications should be announced together with the smaller coins, so that vending machines would not have to be converted more than once.

As for a \$10 coin, it will eventually be necessary, and could be introduced at about the same time that the 5-cent coin becomes obsolete.

These proposals recognize Americans' predilection for a limited number of denominations. My suggestions would give us five denominations (six in those areas that wish to retain the half dollar), at most six denominations after the introduction of a \$10 coin. This should impose no hardship on users of cash registers and cashboxes that have only five or six compartments.

As for the changes in design, I would like to see the resurrection of a very early U.S. coin type, such as the Flowing Hair Liberty and perhaps one of the early Eagle designs, say on the \$1 coin, but the rest should employ contemporary styles. Personally, I prefer allegorical or abstract types. Portraits of deceased presidents and other great Americans would seem more befitting of commemorative coins struck on appropriate anniversaries. In my view, however, the choice of designs is only important if we have the proper range of denominations on which to impress those designs.

Stephen Alburn
Santa Rosa, Calif.

Require design changes

I was very disappointed in 1976 when the Mint made only a token change in our coinage for our country's 200th anniversary. I do not know the exact wording of the present law concerning design changes, but I believe it states that coinage designs may be changed every 25 years. How about the legislative committee laying the groundwork to change the word "may" to "must"?

Except where it concerns their pay, [members of] Congress move as slow as molasses so it is not too early to try to change the law and have it effective in the year 2001. Then in 2026 a change for the 250th anniversary, in 2051 for the 275th and then for our 300th birthday in 2076. There will be little or no extra cost. If the Mint makes a certain amount of dies every year, what difference does it make what the design is and we already have engravers employed by the Mint.

The law should state that no major changes in the design should be allowed except for modifications to eliminate any fast-wearing area, etc. Is it necessary to have past presidents on all our coinage?

Incidentally, the year 2001 is the first year of the 21st century. The year 2000 is merely the last year of the 20th century.

Richard E. Minnich
Los Angeles

Letters to the editor

New coinage design should reflect tolerance

Currently, *Coin World* supports a movement to change the design of United States-minted coins. While I also advocate such a change, I would like to express a view which seems to be missing in the direction of this movement.

Those individuals which will stand in opposition to our proposals of change, will do so from a position of conservatism. They will argue that the current system works well, is perfect in its perception and does not require change. This is not to attack conservatives; we all use such a position on occasion.

The conservative position is easily defendable, though. Those in disagreement with change can simply say, "If it is not broke, don't fix it." The pressure is always on the progressive, reformer or liberal. For they must not only show that the current system is flawed, but also advance a valid alternative. It places a dual responsibility on those that advance change. If United States-minted coins are to have a design change we must attack the present system and champion an alternative program.

I feel uncomfortable with an assault on the ex-presidents depicted on America's coinage. In a very real sense I admire each of these individuals. Yet, the view that they were "great men, not perfect men" surely applies. It is possible from the posture of Afro-American history, various economic positions or even those standard political intrigues common to any person involved with government, that these presidents were the product of very basic human frailty. In times past the Congress of the United States was reluctant to immortalize once-living individuals for fear of deifying them. This argument can still be made. Without going into details, it is possible to discredit the current design of United States coinage and in many ways it can be done quite easily.

The second part of the argument is to place forth a valid alternative. One of the basic philosophies of American is that we are a nation of laws, and not of men. Taking this view one step further, we are a nation of certain political philosophies, not of men. Yet, the design of American coins takes almost the opposite view.

What should be depicted on our Mint issues are those philosophies which we find most dear. Ideals such as tolerance, judicial review, loyal opposition, freedom of opportunity, the First Amendment to the Constitution, universal suffrage or democratic government, to name but a few. There may be times in which these ideas are not realized in our nation, but they stand as goals. Items for which we can all believe in and support.

If we move this issue of change from strictly a numismatic one, to one of political philosophy, we are more likely to be successful. It should be understood that changing our coinage is actually a political issue. The individuals in Congress or at the United States Mint, which is part of the bureaucracy, are political creatures. They do not understand nor care about numismatics. We must operate in the forum that they understand. It also allows individuals which are not involved in the hobby to support our concepts. We must show that it is in the best interest of the average man on the street to make this change.

As it stands now, those enemies of America can point to our coinage and declare that this man owned slaves, or was unfaithful to his wife, or was a capitalist, or almost anything. Our coins do reach other lands, and it would be far better for our adversaries to point to one of our coins and state, "See, this is what they believe in. . . . Tolerance."

Rodney D. Scott
Fort Wayne, Ind.

Wants new designs.

Concerning all new designs on all U.S. circulating coins, I too would like to see all new, not old, designs.

For the cent, Alexander Hamilton, no president but a member of Washington's cabinet, first Secretary of the Treasury. For the reverse of the coin, the first U.S. Mint building.

For the "nickel," James Madison, fourth president, the force behind the Constitution. For the reverse, his home, Montpelier.

For the dime, Andrew Jackson, seventh president, with "The Hermitage" as the reverse.

For the quarter, John Adams, our second president, vice president in both of Washington's terms, and first president to live in the White House. For the reverse, the White House.

Those in favor of changes in the circulating coins should write to James A. Baker, the Secretary of the Treasury, and Frank Annunzio, chairman of the [House Banking] Subcommittee on Consumer Affairs and Coinage.

J.V. Clair
Fort Pierce, Fla.

More design ideas

I started collecting coins in 1964. Dropped out for several years and revived my interest by buying a 1987 silver [American] Eagle dollar. I just have to get the 1986 dollar. This design (Walking Liberty), is a step back in history which I think is wonderful.

I read that there is a chance that the U.S. Mint could be changing the design of all coins. This prompted me to write this letter. Here are my ideas even if they may not be used.

I will start with the 1-ounce silver dollar. Please, U.S. Mint, continue with the Walking Liberty design for many years to come.

The Kennedy half dollar, I think should go on for a few more years at least. It is a good design.

Now for some changes. The quarter should go back to the Standing Liberty design, but redesigned to look like the Statue of Liberty.

Letters to the editor

Reader believes signature count sign of apathy

I was most pleased to read on Page 3 of the Sept. 23 edition of *Coin World* that my petition drive efforts produced 252 signatures. At first glance the 12,000 signatures as reported looked like a lot. As I thought about it I realized that the top five [petitioners] produced 20 percent of the total. Assuming further, the second five could have moved it up to 25 percent.

What this tells me is that we as an industry are as apathetic as the people talked to who always asked, "Why change?" Each time this came up it gave me an opportunity to tell our story and people really got interested and learned a lot and then consented to sign. I don't understand those who did not.

Staying on this thought, we, as an industry, have a lot to gain by these changes: you so-called dealers who are concerned with making money will increase your business through media hype and new collector interest. As an example, my local coin shop had a sheet I gave to them to help me. Four people who run the store signed it and over a 45-day period, three customers did. Now I'm not knocking these people because I've learned a lot from them. However, they and you are the influential ones who should make the impact.

For me, I am the president of a small company and periodically made the time, a half-hour a day, [and obtained] three signatures here, two there. Some volunteered to get a sheet filled in. I even went to an association luncheon I belong to and got 30 [signatures] in one hour.

My point is, with 86,000 subscribers we could have had no less than 86,000 sign ups. Realistically, this wouldn't work, so now we're left with 8,000-9,000 names besides the top 10,

which is 10 percent of the total subscribers, maybe.

[A total of] 12,000 names is fine but it's not the kind of impact that represents the opportunity we all know exists. I experienced my apathy with lots of people who I didn't even know. It's a shame to see the same apathy by the ones who are supposed to be interested in change, us.

I feel good that I played a small part in this. I thank *Coin World* for creating this opportunity and let's all hope that there is interest somewhere out there for this. Surely I've tried to find where it is.

Art Liss
Campbell, Calif.

Wait 12 years

For more than a year, the issue of entirely new United States coin designs has been the topic of much discussion. A majority of those whose opinions have appeared in the pages of *Coin World* favors a change in our coinage — and apparently the sooner the better.

The idea, however, has also met with some resistance, not only in your letters column, but apparently also among Washington officialdom. Indeed we have felt some of that ourselves — not so much resistance to the idea itself as to the timing.

We would like to propose a compromise which might lead to a smoother transition, and allow time to gain broader acceptance of

mentally, which might include not only designs but denominations as well.

Simply stated, we suggest that planning begin now for a coinage change timed to coincide with the turn of the millennium 12 years hence. This has, it seems to us, several advantages over the course things seem to be taking at the present time:

1. It allows adequate time for careful consideration of both designs and denominations.

2. The occasion of a new millennium provides an unusual dimension to possible design themes.

3. That occasion may also help reduce resistance to the idea of displacement of the effigies of six beloved presidents.

4. By publicizing its own intentions, the United States may well spark similar changes in the coinage of other nations, to the greater benefit of the hobby of coin collections.

We thank you for giving us the opportunity to express our views.

Robert Turfboer
Joplin, Mo.
James O. Sweeny
Highlands, N.C.

Design by committee

Having just read the letter from Harry Nor-kin of Thousand Oaks, Calif., I feel I must admit my own guilt (someone should). I too, in the recent past, was all for redesigning our coinage just for change's sake. This was part of my reason for not signing or promoting the Coin World petitions; it certainly wasn't apathy! However, I am now concerned more with what an inevitable change in our coinage may bring.

I am convinced, before we all "go off half cocked," that the process or procedures for redesigning our coinage should be "redesigned." I believe the "evidence" speaks for itself: I do not believe that one person should have the final say, be they the Treasury Secretary or the president. The only privilege that should be afforded the Treasury Secretary (maybe) is "veto power."

The designs should be picked by committee. Since the Commission of Fine Arts is already in place, this would "kill two birds with one stone," making the commission "functional." I believe I would trust the judgment of Diane Wolf and the rest of the commission members.

I would like to further suggest that one denomination be changed every five years and that changes be mandatory every 25 years, thereby completing a cycle using the cent through half. What denomination should be changed first, whether by age or denomination, makes no difference.

With the present course redesign seems to be taking, let us both hope that I never have the opportunity to write an "I told you so" letter. Change for change's sake, no. Change as a sign of vitality.

Byron K. Weston
Julian, Pa.

Letters to the editor

Reader wants more than new portrait designs

In response to proposed bill H.R. 3314:

I have been a proponent of changing the designs on our circulating coinage, and admire the efforts of all involved who worked toward it.

I have written letters, signed and circulated petitions toward this end, as well as written an early letter to the editor on the subject more than a year prior to when the recent push began.

However, I think the collecting community is getting only half of what we've worked for. I'm referring to the provision of the bill to keep the present presidents' portraits on our coins' obverses, but with different renditions.

I know it's difficult to get legislation started, and that this provision the writers feel will give a better chance of passing. But is this really what we want?

Personally, I feel we'd be better off with all or nothing. These new designs would still be collected with the Jefferson "nickel" set, the Roosevelt dime set, etc., and hardly add the interest that is possible.

I have yet to read any comments on this portion of the bill — aren't there others that feel this way?

I believe (and have always believed) the best solution is to do away with images of real persons on our coinage. The new designs should carry designs representative of liberty, and the advances, and differences of our modern society vs. the present designs.

In 1916 no better excuse for design changes was heeded other than the feeling at the time that our coins were substandard compared to other countries' efforts. This reason was embraced as obviously true, and a national competition was held that gave us such beautiful coins. That impetus is just as valid today as it was then.

We don't need re-designs of the same tired old ideas, and we don't need real peoples' portraits on our coins. We do need fresh new images and interpretation of Liberty, emblematic of the age we live in and representative of the capabilities of this nation's artists.

I feel we're being cheated out of the potential a wholesale redesign of our circulating coinage has to offer. Great presidents — Yes! Perpetual presidents — No!

Steven A. Hustad
Minneapolis

COIN WORLD, Wednesday, December 23, 1987

Letters to the editor**Reader advises cautious approach to new coins**

Members of Congress should be extremely cautious before they make any more changes in our currency or to our monetary system. Nearly every change they have made in the last 25 years has been disastrous.

It was bad enough that we were taken off the gold standard and that silver certificates are no longer backed by silver deposits, but all precious metals have been removed from our coins in circulation and the new coins forced upon us by legislation fostered by special-interest groups do not circulate and have become a very expensive burden on the taxpayers.

Nearly 4 billion Kennedy half dollars have been minted beginning in 1964, but very few of them are in circulation. More than 741 million Eisenhower dollars were struck from 1971 through 1978 and in excess of 868 million Susan B. Anthony dollars were struck from 1979 through 1981, but they don't circulate either. Even the \$2 bills brought back in 1976 by Congress do not circulate and they never will.

I'm in favor of legislation calling for a commemorative dollar for Christopher Columbus during 1992 to honor the 500th anniversary of the discovery of America, but only to be minted during that one year. It will never circulate even if the \$1 bills were phased out.

I would also favor legislation that would change all of our coins to depict scenic natural wonders of the United States such as the Grand Canyon, Niagara Falls, Yellowstone National Park, Mount Whitney, Mount Rainer, and the Petrified Forest.

I very strongly oppose the phasing out of the 1-cent coin, the half dollar coin (a reduction in size would be OK) and the \$1 bill.

Luther G. Armstrong
Norfolk, Va.

COIN WORLD, Wednesday, December 16, 1987

Letters to the editor**Mint kills goose that laid golden egg***Might have difficulty*

The Oct. 21 *Coin World* contained an editorial that was quite upbeat about all the numismatic-related legislation currently before Congress.

While I agree there is much to be pleased about, I think that the bill that most likely might have trouble passing, at least in the House, is the bill calling for new designs on our circulating coins. While many co-sponsors are signing on, the principal player, Rep. Frank Annunzio, chairman of the Subcommittee on Consumer Affairs and Coinage, seems to be quite cool to the idea. I say this because I very recently wrote him, encouraging his support for design-change legislation. His reply indicated flat out that the Treasury does not endorse making changes, the Mint Director indicates no plans to change, and that the American people are satisfied with the coins they have now.

Considering all the hubbub the coin collecting community has caused recently in support of changes in our coins, I find it very disheartening that a person whose support, I would think, would be vital to this effort, seems not to have taken notice of the groundswell in favor of design changes.

To, hopefully, turn Rep. Annunzio around on this issue, many more people, especially the readers of *Coin World*, should take pen in hand to let him know how they feel.

Patrick Kleaver
St. Louis

Letters

New designs? It's time

Concerning proposed changes in coin designs:

I am not famous; I pack no political power; I am not wealthy; but, I have been involved in the numismatic field for many years and feel that I have at least a tiny bit of expertise on the subject. Consequently, I have no hesitation in making some suggestions that warrant some consideration.

United States coinage is probably the least attractive of any major nation in the world, with the exception of the Soviet Union. It is long overdue for a total overhaul. I collect foreign coins and have done so for several decades — primarily gold coins, now. We have a long way to go with ours. First of all, our coins have not one or two mottoes, but three: that's overkill! Second, the denominations are outmoded. Third, we need a dollar coin and no paper dollar.

Concerning designs, there will always be controversy over the use of any human head on the obverse. Go back to the symbolic design of an abstract "Liberty Head." If we are to honor a human, living or dead, issue periodic commemorative coins as most other countries do. Use a heraldic eagle on the reverse. These two features would then utilize LIBERTY as a motto on the figure's hairband and the eagle could have a flowing ribbon in its beak with E PLURIBUS UNUM on it. We didn't have the motto "In God We Trust" for the nation's first century of life, but I recognize that the traditionalists and religious lobbyists would demand it. It could be on the [edge], as many other nations have their mottoes, instead of all those mottoes cluttering up the faces of the coins.

There is no reason why all coins could not have identically the same design features. They did for many years, with the only difference being the denomination.

Denominations? When we had silver in our coins there was a reason for the dime

being so small. It is now an incongruity that a 10-cent piece is smaller than a 5-cent one, with both having essentially the same metallic composition. Do away with a dime completely. I would be in favor of doing away with the quarter and start minting a 20-cent piece, which would better fit the decimal system we use. Once again, however, I realize that the outcry from traditionalists and vending machine manufacturers-operators would be deafening.

We are long overdue for a \$1 coin. The half dollar is no longer a viable or useful issue. Make a dollar coin the size or slightly larger than the current half dollar. Make it out of an alloy that would make it distinctive. For example, several nations have coins made of an aluminum/bronze alloy that ends up being gold (not brassy) in color and wears well. In addition, they would be very cheap to make.

You might meet resistance, but the value of our "penny," both intrinsic and actual, warrants making it very cheaply. Why not a hardened alloy of aluminum?

You could end up thusly with an aluminum cent, a bronze "nickel," no dime, a copper-nickel quarter or 20-cent piece and an aluminum-bronze dollar. Mintage costs would be reduced drastically, as would the costs of producing paper dollars.

On very rare and special occasions, we could mint commemorative gold coins; on less important occasions or for individuals, a silver (.900 fine) dollar could be minted. The Mint (and dealers, unfortunately) [could] make a fortune in adding surcharges to such coinage and everyone would be happy. When I say "dollar," I would mean the reduced size type, not the current size.

It's time. Let's do it!

Forrest O. Shoup
Nashville, Tenn.

Coin World

THE WEEKLY NEWSPAPER OF THE ENTIRE NUMISMATIC FIELD

COMBINING WORLD COINS & NUMISMATIC SCRAPBOOK

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We the people

of the United States, expressing our desire that circulating coins of the United States reflect the aspirations, achievements, and artistic abilities of a nation nurtured by freedom, do hereby request the Secretary of the Treasury, Congress of the United States, and President of the United States to use the powers and prestige of their offices to cause new designs to be created and issued for all circulating coins of the United States of America.

The presidentially appointed Commission of Fine Arts unanimously has recommended that new designs be created for all U.S. circulating coins.

Our nation has undergone the longest period in its history without major design changes on circulating coins. The Lincoln design has been on the 1-cent coin for 78 years, Jefferson on the 5-cent coin for 49 years, Roosevelt on the dime for 41 years, Washington on the quarter for 55 years, and Kennedy on the half dollar for 23 years. All except the Kennedy design may be changed by order of the Secretary of the Treasury, who is empowered to change a coin design after it has circulated for 25 years. Before 1989 an Act of Congress would be required to retire the Kennedy design on the half dollar.

Changes in U.S. circulating coin designs can be achieved with no net cost to the taxpayer. Historically, design changes have actually proven to be revenue producers.

Name	City/Town/County	State
John Bauer	Sidney	Ohio
Edwin Anderson	Bellefontaine	Ohio
Ray Gurnea	Sidney	Ohio
Robert M. Lescanell	Sidney	Ohio
Ed Eickert	Pataskala	Ohio
Nichole Dugan	Troy	Ohio
Marilyn Van Allen	Sidney	Ohio
Jeanne St. Myer	Sidney	Ohio
Jane Hutak	Sidney	Ohio
Pat Boeger	Sidney	Ohio
Rusty Reiger	Sidney	Ohio
Kate Dettler	Sidney	Ohio
Joan Alexander	Bethesda	Ohio
Debbie Grossman	Sidney	Ohio
Cathy St. Clair	Pataskala	Ohio
Adrienne Crook	Dayton	Ohio
Nancy Lillard	Anna	Ohio
Carolee Wynn	Sidney	Ohio
Julian Brown	Sidney	Ohio
Robert J. O'Reilly	Paris	Ohio

Coin World is sponsoring a petition drive in order to provide the American public with an opportunity to call upon government officials in both the executive and legislative branches of government to bring about issuance of new designs for all circulating coins in the United States.

"During the summer of 1787 our Founding Fathers drafted the U.S. Constitution. As we approach the September 17 bicentennial of the signing of one of history's most important documents, we will be encouraging Americans during the summer of 1987 to sign petitions which voice their desire that our circulating coins reflect the aspirations, achievements, and artistic abilities of a nation nurtured by freedom," said Coin World Editor Beth Deisher in launching the petition drive at the publication's offices in Sidney, Ohio.

New designs on the cent, 5-cent piece, dime, and quarter dollar can be accomplished by directive of the Secretary of the Treasury, since each has been in circulation for more than 25 years. An Act of Congress with presidential approval would be required to change the design on the half dollar before 1989.

The Lincoln design has been on the cent for 78 years, Jefferson on the 5-cent piece for 49 years, Roosevelt on the dime for 41 years, Washington on the quarter dollar for 55 years and Kennedy on the half dollar for 23 years.

Deisher noted that the coin collecting community has long been on record as favoring new designs for circulating coins.

"Coin World is the newspaper of record for the entire numismatic field and in our 27 years of publication our news columns have many times documented collector groups' calls for changes in coinage designs. Coin World has long been on record as editorially calling for new designs," she added.

She pointed to the presidentially-appointed Commis-

sion of Fine Arts' April 16 unanimous recommendation to the Treasury Department that new designs be created for all circulating coins of the United States as a significant step.

"The Commission of Fine Arts' action is a major breakthrough and we believe the American public is ready to join the campaign," Deisher said. "We see the petition drive as another major step because hopefully it will be a means of placing the issue on the nation's agenda."

"We must reach out beyond the coin collecting community, articulate the desirable results of new designs, and then communicate the public's opinion to those in positions who can bring about change," Deisher explained.

"For too long the call for design changes has been viewed by Treasury officials as a numismatic issue, not one of concern or importance to the general public. Hobby groups and collector organizations have issued many resolutions and conducted a number of straw polls among hobbyists which show overwhelming support. However, the Treasury Department has tended to look upon it as a special-interest issue. It is not, and we believe a petition drive is an appropriate vehicle for demonstrating the point." Deisher said.

"We are issuing a call for our more than 85,000 paid subscribers to become petition bearers," says the publisher. "Each subscriber will sign a petition and deliver it at his May issue of *Coin World* and in turn, the printer at least another nine signatures from fellow hobbyists, family, friends, neighbors or business acquaintances," she said.

The *Coin World* editor said the publication's staff will coordinate the petition drive which will officially end at noon on Aug. 29 during the American Numismatic Association's convention in Atlanta. All petitions returned to *Coin World* offices by Aug. 29 or turned in by noon at the *Coin World* booth on the

bourse floor at the ANA convention will be tabulated and readied for presentation to Treasury officials in Washington, D.C., in early September.

"We believe collectors will prove to be an ideal 'army' of petition bearers," Deisher said. "They are well-informed as to the desirability of changing our circulating coinage designs."

"Numismatists are keenly aware of coins as a medium of exchange and as a vital part of commerce. But even more, they are aware that coins are miniature works of art which often serve as our nation's calling cards around the world," the newspaper editor observed.

She added: "It is certainly our hope that collectors will use the petition drive to tell the story of American coinage as they ask their friends and neighbors to sign the petitions and join in the drive for design changes."

The individual and the coin club responsible for gathering the highest number of signatures on petitions seeking the creation and issuance of new designs on all circulating coins of the United States will be rewarded for their accomplishments by Coin World, official sponsor of the design change petition drive.

The individual returning petitions with the greatest number of signatures will win an Uncirculated version of the \$5 gold and the Unc. silver dollar commemorative coins honoring the Bicentennial of the Constitution which will be issued by the U.S. Mint during the summer.

The coin club or specialized numismatic organization which collectively submits petitions with the highest number of signatures will win proof versions of the 1987 Constitution commemorative coins.

Persons entering the petition drive competition should be sure to print their names legibly at the bottom of the petition and indicate whether the entry is for an individual or a club. Entrants should provide an address on the reverse side of the petition and, in the case of an organization, provide a contact person or club address so that the winner can be notified promptly.

"We are encouraging subscribers to make copies of the petition published in *Coin World* and distribute them to friends and fellow collectors in their communities so that the petition drive can grow far beyond our subscriber base," said Beth Deisher, editor.

Recognizing that some subscribers collect *Coin World* and would not wish to clip the published petition, Deisher said that the publication has printed extras on 8.5-by-11-inch sheets and will promptly mail them upon request. She noted also that a special mailing to the contact persons for the more than 1,300 coin clubs registered with *Coin World's* Club Center will get under way in mid May.

She also noted that extra copies of the petitions will be available at major coin shows around the country beginning in early June, continuing through the end of August.

Deadline for the receipt of petitions is Aug. 28.

Deadline for the receipt of petitions is Aug. 29. Persons mailing petitions should address them to:

Design Change Petition
c/o Coin World
P.O. Box 150
Sidney, Ohio 45345

Canada strikes dollar

CEREMONIES AT THE Royal Canadian Mint's Winnipeg facility initiated production of Canada's new small-sized aureate-nickel dollar coin with loon reverse..... Page 6

GREATER NEW YORK Numismatic Convention draws collectors from throughout the United States to the Big Apple. Show coverage begins..... **Page 16**

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of the United States, expressing our desire that circulating coins of the United States reflect the aspirations, achievements, and artistic abilities of a nation nurtured by freedom, do hereby request the Secretary of the Treasury, Congress of the United States, and President of the United States to use the powers and prestige of their offices to cause new designs to be created and issued for all circulating coins of the United States of America.

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[illegible]

Deadline for receipt of petitions is Aug. 31, 1983. Individuals and clubs enter petitions (conspireffs) should print name above line designated "Petition bear" and provide individual or club address on reverse side of petition. Mailing drop is: Dogan Change Petition, c/o COIN WORLD, P.O. Box 138, Sidney, O.

